

Rubens the Magnificent

by DENYS SUTTON, Editor of Apollo

The various exhibitions that are being held to celebrate the four-hundredth anniversary of the birth of Sir Peter Paul Rubens will doubtless assist in the revaluation of the art of a painter whose exuberant style matches the explosive character of the Baroque. Rubens (1577-1640) was a man of immense drive with the mental agility to master a variety of skills and to succeed in most of his enterprises.

Yet for all the richness of his art, Rubens himself remains rather an enigmatic character. His strong face with its sensual features and calculating eyes has something of a mask about it, as heathed a man who had to steer his way in the complicated world of diplomatic and who undertook ranging activity. His wide almost 100 tooth for most of the art historians who have tried to write about him.

The business of cataloguing his work for instance is a formidable task; arguments range over problems of dating and authenticity. An indication of the complexity of the "Rubens" problem is provided by the numerous volumes that comprise the Corpus Rubenianum Ludwig Burdach that is still in progress: the fact that several books are required to deal with single projects such as the Torre de la Parada or the Jesuit Church in Antwerp is a sign of the magnitude of his work.

A book is required that would synthesise the plentiful information about Rubens and place him both as man and artist in the context of his period. The trouble is that a study of this sort demands so much. It calls for a grasp of the intricacies of the international political scene, an understanding of Rubens's approach to classical antiquity and a sympathetic awareness of the processes of his creative genius. In the end of course all depends on the ability of the writer to relate all this to Rubens's art.

The exhibition of drawings and sketches at the British Museum is of undoubted assistance in any attempt to assess the scope of Rubens's art. It might have been a more enjoyable show if it had been rather more selective; many works on view are of greater historical than aesthetic interest. And a visit should be followed by others to the National Gallery and the Wallace Collection and, if possible, to Antwerp.

This is not to say that the London exhibition lacks visual pleasure. There are a number of drawings of the highest quality he painted the equestrian portrait of the Duke of Lerma in 1621 and argues that Guercino (the Pradon) have been thoroughly examined by Michael Jaffé. His admirably illustrated book, which is an exciting one, for it was during this stay that the master's executed some of his most attractive work. For instance, one excellent study and presents in the drawing of a lioness (No. 70) which looks as if it had been done from life. But Mr. Rowlands written and it might have been

tells us that it was probably done after a Paduan bronze. It could even be argued that this drawing has more "reality" than that of a lion (No. 68) which is almost certainly done after life. Does this not tell us something about Rubens the artist?

Rubens was ever keen to enrich his artistic vocabulary. He was able to do this when he spent art, old and modern; that he eight years in Italy as a young man (1600-08). The details of this stay when he was employed



Rubens's drawing of a lioness

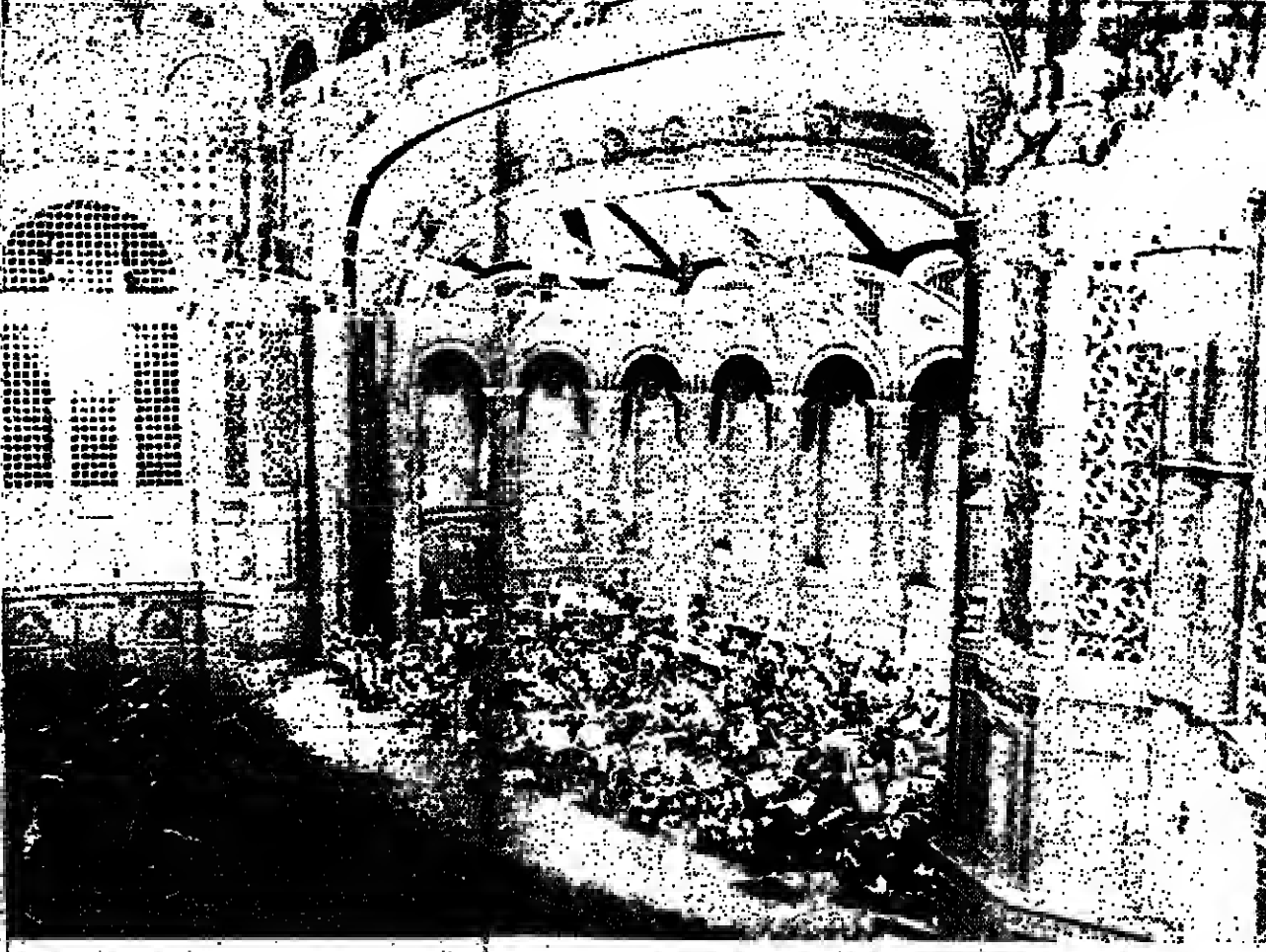
The British Museum exhibition contains a number of Rubens's copies after Northern as well as Italian art; the painter also liked to retouch drawings by other men, and works by Bellini, Dürer, and Veronese, treated in this way, are on view. Rubens, who cherished the past, loved to quote from earlier painters. This habit is shown in the oil sketch of James I uniting the Kingdoms of England and Scotland in which the figure of the monarch is an echo from Veronese; that of the guardsman is derived from one of Rubens's own drawings after Correggio.

A respect for tradition and a desire to preserve continuity are among the reasons that help to give Rubens's art and character some significance for our time. He was living at a period when Rubens's art and character some significance for our time. He was living at a period when Rubens's art and character some significance for our time.

Rubens is a dynamic painter, a master of turbulent movement, as may be seen from the Eve drawings connected with the Fall of the Damned which has the Guey Rodin strove for in the Gates of Hell. He enjoyed rendering interlocking movement; this feature appears in the drawings for a *Kermesse* or the *Garden of Love* (the preparatory drawings for Seghers's wooden organ view), which is one of his most enchanted compositions. Mr. Rowlands rightly comes out in favour of the version (the first?) at Widdesdon Manor which has been unfairly treated in the recently issued catalogue of the Flemish paintings in the Prado.

Rubens was middle-aged when he married for the second time—his bride, Hélène Fourment was sixteen. The paintings and drawings the artist made of his seductive and spirited wife are warm and tender; the famous painting at Munich of the patrician painter in the garden with his wife and child shows that the master had achieved serenity. The violence that marks so many of his works has disappeared.

The inspiration which Rubens derived from feminine beauty is as evident in his drawings as in an oil model such as the *Ceres and two nymphs with a cornucopia* in the exhibition. In the last years of his life Rubens drew and painted the countryside at his estate near Malines, producing studies that anticipated those of a Turner or a Whistler. These are marvellous drawings, which are among the most pleasing works on view and emphasize that Rubens, one of the most learned and sophisticated of all masters, obtained immense refreshment from the contemplation of nature.



The Orpheum's 'Spanish Renaissance' interior

The Orpheum Revival

by ANDREW PORTER

from Canada

So the city of Vancouver bought the Orpheum and turned it into a hall for music, at a cost of \$7.1m. (the city stumped up \$4.1m, the federal government of Canada \$2m., and the province of British Columbia \$3m., the rest is being raised). The Vancouver Symphony was not happy in the Queen Elizabeth Theatre, which has clear but dry acoustics; as in New York's Philharmonic Hall, before it was rebuilt, an orchestra had to force its tone if it was to produce any effect of sonority. The CPR station and the abandoned spaces of a department store that had moved away into a new Mies-type month were considered as possible new homes; the Orpheum was chosen.

Happy choice. The main entrance of the Orpheum is off a "mall"—which is American for a busy street from which all wheeled traffic (as in Wilmington, Delaware, and in Rome and Amsterdam), or all wheeled traffic except buses, (Oxford, Philadelphia, Minneapolis) or buses and taxis (Vancouver) has been banished. The word has thus recovered its 18th-century connotation of a place for pleasant promenade—like London's Mall at its Sunday best. In Vancouver, Granville Street, a central thoroughfare, has become such a mall. The architect of the Orpheum, B. Marcus Priteca, who built some 500 theatres in North America, described its style as "conservative Spanish Renaissance." (Twentieth-century Hispano-Mauresque and Moorish Spanish. The alternative description: His building is lavishly, exotic, and glittering. Colonnaded stairs, balconies and landings provide the approaches to the auditorium. The frames over doors and niches have a curious ogival form suggesting that Priteca knew Bristol Cathedral and St. Mary Redcliffe. The ball itself blossoms with Manueline exuberance in its plaster-work.

There is precedent for such conversion. The grandest concert hall in the world, the Concertgebouw in Amsterdam, was converted from a town hall. The Metropolitan Opera House in New York was converted from a warehouse. The Sydney Opera House was converted from a railway station. The Orpheum, which has been converted from a department store, is a splendid old building, and as I have said, it has been converted into a hall for music. The Orpheum is a splendid old building, and as I have said, it has been converted into a hall for music.



Dance from Les Danes Sacrees de Bell who opened last night at Sadler's Wells Theatre

hall that I know in North America is Symphony Hall in St. Louis, another converted Orpheum Theatre, one that took Versailles as its model. I have not seen Pittsburgh's Heinz Hall (formerly Loew's Penn Theater) or the Paramount where the Oakland Symphony plays; in photographs they look very grand. Grand but unimposing; they were not built as solemn shrines to high culture. All these versions cost a great deal less than new halls would have done. The Vancouver Orpheum is big, seating 2,788 people, but the sound throughout it is warm, vivid, and full. The fly tower has been blocked off and turned into offices and rooms for the orchestra. The former stage has been walled and roofed, and the platform has been brought forward, out of the proscenium arch, so that it seems to be a part of the hall itself.

The inaugural concert consisted of Pierre Mercure's *Triptyque* (1959), *Shéhérazade* with Maureen Forrester as soloist, and Mahler's First Symphony—a programme that displayed the hall's clarity (the Mercure is an after-Stravinsky affair, of bright timbres and rhythms), its ready response to a voice, and its welcome to big romantic sound. Since 1972 the orchestra has been conducted by Kazuyoshi Akiyama, a Vancouver resident though he also has the

Whitechapel Gallery

Creative Associates

by DOMINIC GILL

The American composer Morton Feldman is the present holder of the title of Edgar Varese Professor of Music at the State University of New York at Buffalo. He and a group of musicians called Creative Associates, who are all members of the Center for the Creative and Performing Arts at the State University of New York at Buffalo, are touring Europe this summer; their only London appearance was a concert at the Whitechapel Gallery on Sunday. It was a nice idea to begin the afternoon with a rare performance of Satie's *Socrate* for voice and piano—whose smooth line and modal harmonies made excellent "biggest" and for those unable to find a chair (the gallery was full), half an hour of soothing *musique d'ameublement*. The soprano voice was Martha Hanneman, sweet, cool and well-timed. Tempos, perhaps advisedly for the time of day, were rather faster than one had always imagined: on a summer evening, maybe in the open air. *Socrate* might last an hour or more.

The Associates could have found no greater contrast to *Socrate* than their next piece, *Dmaethen* for oboe and percussion and Xenakis—a bright, strong performance of this slight but vivacious piece: a much more equal and as a result more pungent close combat between instruments than the more academic contest I heard at La Rochelle a few weeks ago. Morton Feldman then came to the stage to give two of his own piano pieces—the little *Intermissions 5* and *Extension 3* of

1952 played together without pause: except for the odd loud chord, ten minutes of very quiet minimalist musing: mouse-music, recollected in tranquillity.

Feldman's recent *Instruments 3* played here by flute, oboe and percussion, was another dreamy confection—a little piece of Japanese landscape, but drained of all implications of tension and conflict: neat, nice, eminently unmemorable. The afternoon's last work was by the Dutch painter Kurr Schwitters: a concrete sound-poem entitled *Ursynata* (written, according to our programme, during the ten years from 1922 to 1932), delivered with spirit by the Associates' flautist, Eberhard Blum. The text was made up of non-sense phonemes: though at one point (we were nearing tea-time) I did hear Mr. Blum say distinctly "Rinse the Kettle and well-washed Tempos, perhaps advisedly for the time of day, were rather faster than one had always imagined: on a summer evening, maybe in the open air. *Socrate* might last an hour or more.

On Friday evening, the New Philharmonia's Prom under Riccardo Muti offered Mozart and Shostakovich. Two very smooth and well-bred Mozart performances: the Paris symphony, lucid and well-sprung, and an attractive account of the clarinet concerto with John McCaw so attractive, so creamy-smooth, as to be almost apocryphal. After the interval the players came vigorously to life in Shostakovich's fifth symphony: the outer movements broad and tough, the misty melancholy of the large beautifully shaped and placed, the scherzo, done with a fine Prokofievian rhythmic glint and snap.

National Youth Theatre celebrates 21st anniversary

Up *The Truncheon*, Barrie Keeffe's third play for the National Youth Theatre, will be presented at the Shaw Theatre from August 17 until September 3. It is a comedy set in 1966 against a background of rock music and reflects the attitudes and hopes of young people at the height of the swinging sixties.

Family Ties by Peter Terson will be presented at the Roundhouse Downstairs from August 18 to September 3. In this new double bill Terson looks not only at young people's problems, but also at those of their parents. Terson's *Good Lads at Heart* will be presented at the same venue from September 6 to 24. Set in the gymnasium of an approved school, the play deals with the visit of two drama teachers and the conflict between their liberal attitudes and the discipline of the existing regime.

Julius Caesar at the Shaw Theatre (September 8 to 24), will be directed by Michael Croft in a 20th-century setting along the lines of his production at the Queen's Theatre in 1960.

Killing Time, a short new play by Barrie Keeffe, will also be placed, the scherzo, done with a fine Prokofievian rhythmic glint and snap.

This announcement appears as a matter of record only

July 1977

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EUROPEAN NEWS

Spanish union hits at plans on wages and unemployment

BY DIANA SMITH MADRID, August 1

SPAIN'S MAJOR trade union with understanding of Spain's current difficulties and a wish not to go beyond the specifics into the realms of ideological rhetoric. Thus at the week-end, Sr. Redondo labelled inadequate the efforts by Sr. Suarez's Cabinet to cut unemployment by allocating £220m. for new jobs in Extremadura and Andalusia (southern regions where unemployment is particularly high) and the Canary Islands, through building new public housing and better public services.

An investment of twice that amount, he said, would be required to create at least 150,000 new jobs annually, especially for school leavers who represent 40 per cent. of those currently without jobs. Meanwhile, higher prices of bread, milk and cooking oils which came into force to-day, plus last week's 20 per cent. increase in the price of coffee, claimed the UGT's secretary, Sr. Redondo's concern about the rising cost of living (up by 30 per cent. in a year) has already greatly exceeded the value of living standards were already manifestly lower than last year.

The UGT—which has a voice in the Cortes (Parliament) through members elected as deputies for the Socialist Workers' Party, aims at strong activity on three fronts: in Parliament, by presenting Bills covering the right to strike, contract bargaining and union activities in companies; at federation level, seeking change to bargain directly with management; and in the streets, where large numbers of contracts came up for review this autumn; and on a day-to-day level on the factory floor.

Trade union elections this autumn will determine the UGT's true strength. In the meantime, as unions and workers' groups are being set up, the UGT's joint statement issued after the weekend talks are seen as support for the Eurocommunist Government measures, tinged

Work on new constitution

BY DUN OWN CORRESPONDENT MADRID, August 1

PARLIAMENT TO-DAY took its first steps towards genuine legislative work. Three committees—constitutional, regulations and economy, and treasury—began work this afternoon. The constitutional committee has a vital task. It must draw up the draft document that will lay down the rights and duties of Spaniards in their fledgling democracy. Already, major opposition parties—the Socialist Workers' Party and the Communist Party—have voiced their parliamentary views on the hoped-for contents of the constitution, wanting a Bill of rights, a framework for regional autonomy, free expression for all ideologies, supervision of the executive and national independence.

It is generally felt that all parties, whether Government or opposition, want a concise, practical and democratic constitution. Above all, they want one which will attract the support of the people. The regulations committee—which will be presided over by a member of the Socialist Workers' Party, Sr. Francisco Vasquez—will have the delicate and urgent task of drawing up, by August 8, the rules and regulations governing the workings of Parliament. In the days since its formal opening by King Juan Carlos, Parliament has been virtually playing matters by ear and has been limited to declarations of intent by the various parties.

Italy amnesty proposed

BY PAUL BETTS ROME, Aug. 1

THE ITALIAN CABINET is likely to consider on Thursday proposals to grant amnesty to all prisoners convicted of minor crimes. One of the most acute problems of the country's prison system is severe overcrowding. Official figures show that about 33,000 people are currently in Italian jails originally designed for a maximum capacity of 27,000. Of the 33,000 about 30,000 are still awaiting trial.

SOVIET OIL PRODUCTION

The dilemma posed by a diminishing surplus

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE CIA's recent report on Soviet oil which predicted that the Russians will be short of the stuff within five years caused a big stir in energy circles. It was natural enough because global energy calculations have always assumed that the Soviet bloc would remain a net exporter for at least a decade, and the prospect of the Russians and their allies wading into world oil markets is disturbing to say the least.

But the report also threw light on another aspect of the bloc's economic fortunes—the role of oil in its balance of payments. Whether or not the CIA is right in its conclusion, the alleged oil is by far the largest single factor in the bloc's hard currency balance sheet. And now that Comecon's debts are rising at the rate of \$10bn. a year, the prospects for oil are becoming crucial.

The Soviet Union, the world's largest oil producer, with 520m. tons a year, was a net exporter of some 140m. tons in 1975. Exactly half of this went to other Comecon countries, the remainder being used to earn hard currency on the world markets where it fetched some \$6.5bn. However, the Russians' deliveries to the other Comecon countries did not meet total requirements there, and they imported some 10m. tons from

Bid to find compromise fails at Belgrade

By Paul Lendvai BELGRADE, Aug. 1

INFORMAL ATTEMPTS by delegates at the 28-nation Belgrade preparatory talks for a follow-up European security conference failed to-day to find a solution to the controversial issue of when and under what conditions the main conference and its sub-commissions should end their work next autumn.

The British, Portuguese, Dutch and French delegations appear to have emerged as the "hardliners" on the Western side, when representatives of the U.S., the Soviet Union and the two blocs to-day began informal meetings.

It is understood that the Soviet Union has suggested that the main conference should start on October 4 and end on December 22, but that the meeting should end "in any case" only by the adoption of a concluding document and by fixing the date and place of the next Belgrade-type meeting.

Paul Lendvai writes from Belgrade: The Romanian Communist leadership has come out publicly in support of Sr. Santiago Carrillo, the secretary-general of the Spanish Communist Party, who was accused last week ago by a Soviet weekly of "anti-Sovietism" and of "trying to split the international Communist movement."

In a joint statement released this morning after two days of talks in Bucharest with the Romanian President, Mr. Nicolae Ceausescu, the two parties pledged to fight for a new style unity in the international Communist movement based on the respect for each party's rights to take an independent political line.

The personal invitation extended to the Spanish leader by the Soviet Communist Party, the joint statement issued after the weekend talks are seen as support for the Eurocommunist parties in the West.

French growth of 4.5% foreseen

PARIS, August 1

FRENCH economic growth could reach 4 to 5 per cent. towards the end of this year if the Government takes measures to stimulate the economy, the vice-president of the French Patronat employers' federation, M. Jacques Ferry said.

The Government should implement greater selective support to sectors in difficulty, he added, in a magazine interview.

Turkish Assembly gives vote of confidence to Demirel coalition

BY METIN MUNIR ANKARA, August 1

THE TURKISH National Assembly to-day gave a vote of confidence to the "hardline" coalition of Mr. Demirel's new Assembly Speaker has been elected, possibly this week.

The vote in the 460-member Assembly was 239 for and 219 against. "To-night millions of people will be jubilant," said one 53-year-old Mr. Demirel, who now heads his fifth Government since the mid-fifties. "To-day is a festival for nationalists and believers and those who work for the solidarity and unity of this nation," the Prime Minister added.

Mr. Demirel's victory has pushed Mr. Bulent Ecevit, the social democrat, into the background, although his Republican People's Party (RPP) has a majority in the Senate and, with 214 seats in the Assembly, is 12 seats short of an absolute majority there. Mr. Ecevit's short-lived minority Government was defeated by Mr. Demirel's right-wing alliance last month, forcing the 52-year-old poet-politician to resign.

Mr. Demirel is expected to be characterised the old all continued, despite a public of confidence to the "hardline" until next November after a right-wing coalition of Mr. new Assembly Speaker has been elected, possibly this week.

Belgian bid to reduce jobless

BY DAVID BUCHAN BRUSSELS, August 1

A TWO-THIRDS cut in Belgium's current spending deficit next year by increasing VAT on consumer goods, a major attempt to reduce unemployment and a push for increased public and private investment that will inflation at less than 2 per cent.—second only to the budget which the Tindemans Government approved yesterday and announced to-day.

The Government's hope is to reduce the current spending deficit next year to Frs.2,200bn. (\$377m.) from this year's Frs.3,500bn. short-fall and to keep next year's public debt increase to Frs.1,000bn. below this year's Frs.1,500bn. increase.

Prime Minister Leo Tindemans has called it an "unemployment budget" and the Government intends, by a series of job creation measures, to reduce unemployment by 70,000 to a level of 220,000 next year.

The public investment programme is to be steered on by discipline in the plans for greater economic convergence that Belgium, as current President of the EEC Council and even the EEC Commission have been arguing to the EEC member-State Government to take. The loss of confidence is partners.

Denmark's proposed tax increases to raise £2bn.

BY HILARY BARNES COPENHAGEN, Aug. 1

THE SOCIAL Democratic Government has put forward the more details of its tough programme of fiscal restraint combined with spending on selective measures to increase employment. The Government proposes tax increases totalling Kr.21bn. (about £2bn.) over the next three years while allocating Kr.8bn. to the employment programme.

The net fiscal effect of about Kr.4bn. a year is equal to about 1.5 per cent. of GNP. The taxes will be mainly raised by increases in indirect taxation but these details have not been disclosed. It is rumoured that there will be a steep increase in income tax for those in higher brackets. But before the Government can carry its proposals, which are designed to reduce Denmark's large payments deficit, it has to secure the agreement of several other parties in the Folketing, which meets on August 22 to tackle the economic problems.

Terrorist group claim they murdered Po

BONN, Aug. 1

A TERRORIST group claiming responsibility for the weeding of a leading German banker and warms further "executions" are free. Police said Herr J. Dresdner, 33, chief executive of a night during a struggle in a Frankfurt suburb. Authorities said they are searching for an unidentified man, four young women, and a friend of the Ponto family. In a telephone call on Sunday night to a news agency, a member of the "Internal Liberation Movement" claimed responsibility for the killing and demanded the immediate release of all political prisoners in West Germany. Should the demand not be met, he said, members of the ruling class would be executed. AFPJ

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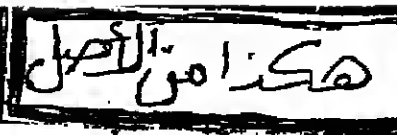
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Australia's prices local crude oil

ANBERRA, August 1. SEVERAL months of ration, the Australian government has decided to local crude oil prices to parity and to introduce a conservation policy...

Vance brings Middle East peace proposals to Egypt

WASHINGTON, that heavy American pressure on Israel may strengthen the domestic position of Mr. Begin's hard-line administration. When Dr. Henry Kissinger pushed the second Sinai agreement on the Israelis, the U.S. was obliged virtually to bribe Israel into acceptance...

PLO warns U.S. over Alexandria talks

BEIRUT, August 1. THE 15-MEMBER executive committee of the Palestine Liberation Organisation (PLO) met here today under its chairman Mr. Yasser Arafat for the second time in as many days to discuss its strategy towards the Middle East talks with Mr. Cyrus Vance, the U.S. Secretary of State...

Many withdraw from Syria poll

DAMASCUS, August 1. SYRIANS voted today in a general election expected to bring a new mandate for the Arab Baath Socialist Party and the Coalition-including Communists-which it controls. In the election, 31 candidates for the new 165-seat Peoples Assembly were returned unopposed...

Libya accuses Sadat

TRIPOLI, August 1. TENSION BETWEEN Libya and Egypt remains high in spite of the ceasefire. Today Major Abdel-Salam Jalloud, the second in the Libyan hierarchy behind Colonel Kheddafi, speaking at a Press conference here, accused Egypt of a massive build up of forces on the frontier and called on President Sadat to withdraw troops from the area...

Police dogs disperse children in Soweto

JOHANNESBURG, August 1. RENEWED DISTURBANCES broke out in Soweto today and the township's schools were said to be planning a total boycott of classes. Like the pupils in Pretoria's black townships, Police used dogs, batons and rubber bullets to disperse groups of students in an apparently concerted effort to end the continuing climate of unrest...

EAST AFRICAN COMMUNITY

Things fall apart

BY JOHN WORRALL IN NAIROBI. "I DRANK five glasses of champagne to celebrate the break-up of the East African Community," Mr. Charles Njonjo, Kenya's Attorney-General, told Parliament. Few sorrows are being drowned in the champagne here, however, which has served the 36m. people of Kenya, Tanzania and Uganda well in the past 10 years. The disintegration in East Africa has gone fast in the past year, with the break-up of the railways, harbours and airways corporations into separate entities...

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A leading financial services group is seeking to expand within the Insurance Broking field and is interested in meeting established small/medium insurance brokers who wish to expand their businesses by taking advantage of the financial backing and injection of business from an aggressive and expansionist group.

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Well established German Construction Group with excellent engineering and commercial staff seeks prospective buyers of Deutschmarks 6-8 mill. interest for partnership. As Group is engaged in the Middle East, offers from Arab companies or industrial persons would be highly appreciated.

Write Box F.557, Financial Times, 10, Cannon Street, EC4P 4BY

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Managing Director, highly qualified engineer experienced in wide range of industries, has capital for partnership and wants full-time active role managing established company with potential.

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wants to purchase order capitalised companies with established client base. Wholesaler or manufacturing consumer goods. Please apply to writing to: JOHN TEW, 428, Staines Road, Redford, Middlesex.

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100% financing required. Have excellent formulae, and know-how for product development, advertising and sales. Minimum amount required £150,000.

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are considering to introduce British goods, services and know-how to the developing countries. If you have a project, a product or a problem connected with business overseas, let us help. We could save you time and money. The next visit by our representatives are to East Africa and South America in September.

PRESTIGE CARS WANTED TO ALL COMPANY DIRECTORS... Are you obtaining the best price for your low mileage prestige motor car? We are currently requiring Rolls-Royce, Mercedes, Daimler, Bentley, Jaguar, Fiat, BMW, Porsche, Ferrari, Maserati, Lamborghini, Jensen, Comancheri, Rover, Triumph and Volvo cars.

INCORPORATE OR NOT? There could be thousands in it for you... Send for FREE copy of "Disincorporate the Corporation Issue", a 48-page booklet covering the legal and financial aspects of incorporation. Write to Company Director, 10, Cannon Street, London EC4P 4BY.

OWNERS OF MODERN 6-SEATER TWIN ENGINE AIRCRAFT... (CESSNA 401) with fully qualified pilot, have light time for disposal - up to 200 hours annually. Aircraft presently based Middlesex, but pick-up can be made throughout U.K.

30% EQUITY STAKE... offered is a young company with valuable exclusive distribution for a wide range of products. Superb facilities, superb management, superb marketing. Write to: 10, Cannon Street, London EC4P 4BY.

STANDARD SHIP DESIGNS... A new publication detailing 98 standard ship designs, including 125,000 sq. ft. of ship profiles and main features of each. Includes a list of over 900 vessels by builder and tonnage. An essential reference work to the industry. Price £12.50 + £2.00 postage. Write to: 10, Cannon Street, London EC4P 4BY.

HELP! I'VE BEEN BADLY LET DOWN... Partner wanted for old persons rest home venture in West Riding of Yorkshire. Freehold premises, freehold lease well over £100,000. No capital required only £10,000 support and guarantee a £75,000 loan application. Principal will be prepared to invest. Write Box G.407, Financial Times, 10, Cannon Street, EC4P 4BY.

OMAR INTERNATIONAL LIMITED GENEVA... Specialises in the following services: Brokers, Finance, Insurance, etc. Write Box G.410, Financial Times, 10, Cannon Street, EC4P 4BY.

TAX LOSS COMPANY... Investment company with agreed capital losses of £240,000 and shareholders loans of £245,000 for sale. Write Box G.256, Financial Times, 10, Cannon Street, EC4P 4BY.

ADVERTISER... with cash and time to spare, would like to meet with owner of company where profitability needs improvement. Help sought in the form of a strategic purchase, partly financed by investment assistance. Write Box G.410, Financial Times, 10, Cannon Street, EC4P 4BY.

SPORTS EQUIPMENT... Major Scottish manufacturer with leading brands and full order book, available for sale, or merger. Please reply to: Sportsunit, 137 Beech Road, Manchester, 14.

72" PNOA. BACKER WANTED FOR THE TRANS-ATLANTIC RACE '80... I have a design for the fastest ever Ocean Crossing Yacht. Write Box G.410, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCE REQUIRED... Equity offered in equipment supply company trading worldwide to the oil and construction industry. Write Box G.410, Financial Times, EC4P 4BY.

PLANT AND MACHINERY... The FRS 2000... provides a wide range of services. Write Box G.410, Financial Times, EC4P 4BY.

WANTED USED FORK TRUCKS... ANY QUANTITY... urgently required for export. See prices, immediate inspection and payment. No tax. Tel: TONY ROE, Southampton 35962, Southampton 35512. Telex 22260, Newscom-Group.

FAIRPLAY INTERNATIONAL... Write Box G.410, Financial Times, EC4P 4BY.

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AMERICAN NEWS

Treasury seeks debt ceiling increase

The U.S. Treasury has asked Congress to raise the national debt ceiling by \$83bn. for fiscal 1978, starting October 1, for a new \$735bn. limit on total Treasury borrowings so that it can pay Government bills. Reuter reports from Washington. The request was made to the House Ways and Means Committee by Assistant Treasury Secretary Roger Altman.

The Assistant Treasury Secretary said that the \$83bn. increase reflects the Administration's current estimates of a \$61.5bn. budget deficit for fiscal 1978, a trust fund surplus of \$13.7bn. and an anticipated \$8.3bn. surplus for fiscal 1979. The \$83bn. increase would raise the debt ceiling to \$735bn. from the current \$652bn.

Venezuelan reserves

Venezuela's international reserves reached the highest level ever at the end of July, the Central Bank has reported, writes Joseph Mann in Caracas. Foreign reserves for the South American country now stand at \$9.15bn., up \$500m. from the end of last year, according to Sr. Hugo Romero, vice-president of the Central Bank of Venezuela. This high reserve level, though it is chiefly a consequence of Venezuela's drawing on a \$1.2bn. syndicated loan agreed to earlier this year and to income from the sale of oil.

Teamster claim

The Justice Department is investigating charges that Teamsters Union leaders provided a \$1m. secret cash fund to the Nixon Administration in return for Nixon's harrasing Jimmy Hoffa from returning to union power. Time Magazine reports in its current edition, UPI reports from New York. The article, published in the Federal Bureau of Investigation (FBI) believes that Nixon may have been speaking of the \$1m. in the Watergate tape conversation with John Dean of March 24, 1973, in which the President and his counsel talked about the "Watergate burglars" demands for huge sums of "hush money". Mr. Nixon said on the tape: "With a million is you could get a million dollars and you could get it in cash, I know where it could be gotten."

SEC nominee

President Carter said yesterday that he will nominate Mrs. Patricia Karmel, a securities lawyer in New York City, to become the first woman member of the Securities and Exchange Commission (SEC). UPI reports from Washington. Mrs. Karmel (49) worked as an attorney for the SEC from 1962 to 1969, when she joined a private law firm. She would fill a position that has been vacant since April, 1976, the longest such vacancy in SEC history. The appointment is for a five-year term.

ON OTHER PAGES

International Company News: U.S. chemical companies Petrofina profits hit 14/15 Farming and Raw Materials: Sugar talks Australian wheat sale 17

Congress faces last minute rush of major legislation

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, August 1.

THE UNITED STATES Congress faces the busiest week of its year, trying to pass major legislation before it adjourns this week-end for the summer recess.

Mr. "Tip" O'Neill, the Speaker of the House, has promised to hold all-night sessions if necessary. The Senate, for its part, is stuck with a filibuster over election financing reform that threatens to make life very difficult.

To complicate matters further, President Carter is due to unveil three proposals of substance this week—covering a farm reform, drug abuse, and the status of illegal aliens. Although none of these will require immediate Congressional action, they are likely to be controversial and therefore something of a diversion from the business at hand.

As well as the energy bill, Congress is trying to resolve problems over the Clean Air Act, specifically the part covering car emissions. The motor industry says it will not be able legally

to produce its new model year cars, due to roll off the assembly lines this week, unless it knows what pollution standards it is supposed to live up to.

Lobbying on this issue has been predictably intense on Capitol Hill, certainly on a par with that exercised by the oil industry over the question of the deregulation of natural gas prices, which is also due to come to a head.

Action is anticipated on the amount of money to be appropriated for the Departments of Labour and Health, Education and Welfare—a bone of contention between the Congress and the President earlier this summer—and the equally sensitive Farm Bill.

The proposed increase in the minimum wage is up for debate, following a compromise worked out last month between the Administration and organised labour. This provides for a greater increase in the minimum wage than the President had originally wanted—though less

than that for which labour had pressed—plus indexation over the years to come. It has been sharply criticised by business interests and by prominent Conservatives, such as Dr. Arthur Burns, the Fed chairman.

The Senate, however, is still buster over the proposals to put Congressional elections under similar public financing regimes as were applied to last year's Presidential election.

This has received the staunch support of President Carter, but is being opposed by Republicans on two grounds: Officially because it tends to favour incumbents (and Democrats heavily outnumber Republicans in Capitol Hill), and more realistically because it would tend to erode the traditional financial advantage that Republicans have enjoyed over the years in campaigning. Attempts will be made to break the tie by buster some time in the middle of the week.

Latin America debt rise

BY HUGH O'SHAUGHNESSY

THE FOREIGN DEBT of Latin America has increased substantially in the last year, according to a report published in London and New York.

The report, published by the Economist Intelligence Unit, says that the total debt of Latin American countries rose to \$10.5bn. in 1976, up from \$9.5bn. in 1975. The increase was due to a combination of factors, including a rise in the price of oil and a decline in the price of commodities.

The report also notes that the debt-to-GDP ratio for Latin America rose from 28 per cent in 1975 to 32 per cent in 1976. This is a significant increase, particularly for countries like Argentina and Peru, which have seen their debt rise sharply.

This is stated in the 1976 report on Economic and Social Progress in Latin America just published by the Inter-American Development Bank.

Singling out the role of the Eurocurrency markets in the provision of capital, the IDB points to the "foreseeable effect on the size of the external debt and its service burden on the balance of payments."

The supply of long-term finance has not been sufficient to meet the region's needs and it has had to turn to short-term finance—up from \$300m. in 1974 to \$893m. in 1975.

Quebec Opposition merger plan

MR. RODRIGUE BIRON, trying to capitalise on a wave of opposition to the November 15 election last year would go along with the idea.

However, some common link might be possible in the effort to defeat the referendum on independence, due before the election according to ruling Parti Quebecois promises. It is believed two younger Liberal and former Quebec Liberal members—former Quebec Industry Minister Guy Saint Pierre and the former Union Nationale Minister from the Johnson Administration, Mr. Marcel Masse—have been tentatively canvassing the possibility of some link between Quebec Liberals and the Union Nationale.

Ethiopian diplomat defects

By Our Foreign Staff

THE U.S. State Department confirmed yesterday that the Ethiopian charge d'affaires in Washington resigned his post last week. It said that Mr. Gheheyech Mekibib was still living in Washington and had no plans to leave the U.S.

With Mr. Gheheyech's defection the total number of senior Ethiopian diplomats who have left their posts since the 1974 revolution, which overthrew the Emperor Haile Selassie, reaches 25. About ten of these are ambassadors and the list includes two Foreign Ministers. Several senior diplomats defected in the wake of the revolution but a number of ambassadors defected late in February this year when they were asked to return to Addis Ababa for "re-orientation" after Col. Mengistu Haile Mariam took full power on February 2.

The State Department gave no reason for Mr. Gheheyech's defection. He had reportedly been offered the post of Ethiopia's ambassador to Rome about two years ago but did not take it.

Last month Ethiopia's ambassador to Saudi Arabia, Mr. Abdullah Abdurrahman Nor, left his post. Mr. Nor originally a committed supporter of the revolution, defected partly because of the repression and bloodshed carried out by the present Ethiopian regime and because, as he claimed, Ethiopia had failed to take advantage of a highly favourable understanding negotiated with Saudi Arabia during 1976 which would have helped reduce Arab support for the Muslim secessionists in Eritrea.

Harza designs for Jordan Valley project

By Rami C. Khouri

AMMAN, August 1. HARZA ENGINEERING, of Chicago, has been awarded a \$6.7m. contract to draw up designs and tender documents for the second and last stage of the vast irrigation project designed to make the Jordan Valley a major new source of fruits and vegetables for the Middle East.

Harza will draw up design specifications and tender documents for the new 125-metre-high Maqarin Dam on the Yarmouk River along the Jordan border with Syria, a 15 kilometre extension of the East Ghor canal to reach the northern tip of the Dead Sea, and the installation of sprinkler systems to irrigate 25,000 hectares of farmland.

The Maqarin Dam, which will incorporate a 20 MW power station, will have a capacity of over 200m. cubic metres of water behind a 150m. long dam. The entire second stage project for the valley is now estimated to cost some \$300m.

Work on the first stage is already underway, and when completed by the end of next year it will result in the irrigation of 21,000 hectares of farmland, most of which will be irrigated by sprinklers. Two projects, expected to be completed by the end of 1982, will result in a total irrigated area of 35,000 hectares, all of which will use the sprinkler method.

One of the aims of Jordan's current five-year plan is to use the full year-round growth potential of the Jordan Valley, where up to four crops can be grown every year, to provide profitable fruit and vegetable exports to the neighbouring Arab markets.

France wins Frs1bn. Iran order

ALSTHOM-Atlantique SA has been awarded a Frs1bn. contract by the Iranian national power company Tavanir for the construction of two 400 MW oil-fired power plants at Tabriz in the Middle East Economic Survey said.

The contract will be financed by a Frs800m. five-year buyer credit from a group of French banks headed by Credit Lyonnais and is scheduled for completion in 1979/80.

Thinet et Cie, a subsidiary of Societe Generale d'Entreprises, announced it had been awarded a Frs700m. contract by the Saudi Arabian Government to build 600 housing units at Jeddah in association with the French public works concern Dumez.

Saudi Arabia recently awarded contracts for the construction of apartment blocks to two other French companies—Bouygues and Societe Auxiliaire d'Entreprise—amounting to over \$400m.

Moecht AG, a French subsidiary of Ude, SA, received a Frs250m. order to deliver three phosphoric acid plants to Safi in Morocco. Production should begin in mid-1980 with daily capacity of 500 tonnes per plant.—Reuter

WORLD TRADE NEWS

EEC probes pig iron dumping by Brazil

By David Buchan

Brussels, August 1.

THE EEC COMMISSION has decided to open a dumping inquiry into Brazilian pig iron imports in the Community. The Brazilian iron is being sold at prices below EEC prices, while Community pig iron production fell 13 per cent from 1975 to 1976.

The dumping complaint, brought by producers accounting for nearly three-quarters of Community pig iron production, originally alleged that Brazilian pig iron was being sold in Europe at prices 26 per cent below domestic Brazilian prices. The Brazilian Government has disputed this, arguing that the minimum prices that it recently set on pig iron exports prevented any dumping. The EEC producers, for their part, say that the minimum prices are not being obeyed and that in any case they are still 14 per cent below domestic Brazilian prices. Between 1975 and last year imports into Germany increased 500 per cent, into the UK by 200 per cent, and into France by 150 per cent.

The Commission has also given its approval for the UK to introduce surveillance of imports of special steel, tubes and wire rod. But it refused the British request to introduce Community-wide surveillance of these imports. The Commission argues that the UK is in no worse a position as regards special steel imports than its eight partners, that steel tube imports into the Community are coming down, and that though wire rod imports into the EEC increased between 1975 and 1976, this was mainly concerned with Community production. Last year the EEC produced 5m. tonnes of wire rod.

Harza designs for Jordan Valley project

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One of the aims of Jordan's current five-year plan is to use the full year-round growth potential of the Jordan Valley, where up to four crops can be grown every year, to provide profitable fruit and vegetable exports to the neighbouring Arab markets.

U.S. Toyota dealers lobby in Tokyo for more cars

BY CHARLES SMITH

TOKYO, August 1.

A GROUP of 320 U.S. car dealers, many of whom are Toyota dealers, have come to Japan to ask the Japanese Government to ease its restrictions on imports of U.S. cars. The dealers are in some areas being forced to sell more cars than they can handle.

The dealers say that the U.S. market is too small to absorb all the cars that Toyota is able to produce. They are asking the Japanese Government to increase the number of cars that can be imported from the U.S.

Toyota Motor Sales Company months since it is now in the process of introducing new models and these have to be paid for the trip. The sponsor was Toyota South East, an American independent U.S. distributor based in Florida, in which the Japanese manufacturer has no capital stake.

Toyota's sales in the U.S. rose by 63 per cent to 260,000 units during the first-half of 1977 as compared with a year earlier. Shipments also rose, but by only 21 per cent, and fell short of retail sales by some 20,000 units. The result is that Toyota now has a one-month inventory of its cars in the U.S.

It points out that the Japanese Government has been slow to ease its restrictions on imports of U.S. cars. The dealers are asking the Japanese Government to increase the number of cars that can be imported from the U.S.

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ASEAN hopes for Japanese aid

BY WONG SULONG

KUALA LUMPUR, August 1.

LEADERS of the Association of Southeast Asian Nations (ASEAN) who began their summit meeting here on Thursday are likely to throw out a few of the original five members of the group and to replace them with other countries that are more attractive for Japanese financial assistance.

The five projects—area plants for Indonesia and Malaysia, soda ash for Thailand, superphosphates for the Philippines and diesel engines for Singapore—were decided at the Bali summit 18 months ago. Since then, little has been done to get them off the ground.

The ASEAN countries are hoping to seek Japanese aid to implement the projects, estimated to cost over \$1bn. But the word here with other Foreign Ministers is that the Japanese Government is prepared to help, it will only be if the projects are thoroughly worked out, their viability unquestioned.

At this stage, both Singapore and the Philippines are understood to be willing to scrap projects in place of Indonesia, which has already decided whether to go with its urea plant or not. Another area which is under decision from the ASEAN Economic Ministers, at their meeting in Singapore, is the 71 items for a preferential tariff within the ASEAN area.

Malaysia's net external reserves fell marginally by 6 per cent, compared to record earnings in the last quarter last year, because of the decline in the price of rubber, tin and petroleum were higher.

During the first three months of this year, rubber exports increased by 42 per cent to 482,000 tons, valued at \$97 million ringgits. The bank said that owing to the huge trade surplus, Malaysia's net external reserves fell marginally by 6 per cent, compared to record earnings in the last quarter last year, because of the decline in the price of rubber, tin and petroleum were higher.

The Malaysian central bank (Bank Negara) in its quarterly bulletin said exports totalled \$97 million ringgits, while imports stood at 2,537 million ringgits. Export earnings, as expected, fell marginally by 6 per cent, compared to record earnings in the last quarter last year, because of the decline in the price of rubber, tin and petroleum were higher.

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Malaysia exports buoyant

BY WONG SULONG

KUALA LUMPUR, August 1.

MALAYSIAN exports remained buoyant during the first quarter of this year, and a trade surplus of slightly over a billion ringgits (about \$240m.) was recorded.

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Pacific air route talks

BY DAI HAYWARD

WELLINGTON, August 1.

HEARD BARGAINING for Pacific air routes is likely in talks between Fiji and New Zealand to allow Air Pacific three direct flights from Nandi to Auckland each week.

Pacific air routes are good news for New Zealand, which has been waiting for permission from President Carter to reduce air fares to the South Pacific. It has already asked the Civil Aeronautics Board to approve plans for five flights a week from Hawaii—three to Auckland and two to Sydney, via Nandi.

However, New Zealand is also considering a fare reduction. The New Zealand Government will not welcome another competitor for Air New Zealand in the region.

Los Angeles-based Continental Airlines is said to be waiting for permission from President Carter to reduce air fares to the South Pacific. It has already asked the Civil Aeronautics Board to approve plans for five flights a week from Hawaii—three to Auckland and two to Sydney, via Nandi.

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ELECTRONICS AND THE POST OFFICE

Stamping on the flames of invention

BY NANCY DUNNE IN WASHINGTON

WITNESS BENJAMIN FRANKLIN became the first Postmaster General of the United States 200 years ago. He introduced the postage stamp, the postage meter, and the postage meter.

Today the postal service is a quasi-Government agency, subsidised by the taxpayers but supposed to earn its own way by 1984 under the Postal Reorganisation Act of 1970. It is headed by Benjamin Franklin Baller, who makes his illustrious predecessor seem content to shrink both in size and importance.

There comes a time, Mr. Baller has said, when you have to acknowledge that the world is changing. I don't feel the sheer size of the postal service ought to be preserved for its own sake.

Critics both in Congress and in the business community say the postal service may be assisting its own financial collapse by not branching out into "electronic mail." A National Academy of Science panel has gloomily concluded: "Time is running out. While the postal service delays its entry into electronic message services, competitors by private firms are sure to proceed—possibly foreclosing any opportunity for the post office to move into the field in any meaningful way."

The postal service, which has a legal monopoly on first-class mail (hand-delivered letters) only is already competing with private services delivering magazines, advertising circulars and packages. About 75 per cent of first-class mail is sent by Government and business. It is these two groups which are expected to find that an investment in electronic systems might be a faster, cheaper alternative to the mail—especially as postage costs keep rising and service cuts are instituted. A study by the Quantum Science Corporation, a New York research group, has concluded that the postal service will lose about 7 per cent of its first-class mail revenue to its computer competition by 1985.

Ultimately, some experts say, mail as it is known today will be replaced by message printed off by machine or flashed on a viewing screen. Families will own home terminals to receive bills, newspapers, utility meter readings, and other printed matter. The cost of such facsimile equipment is expected to drop sharply with the launch of a telegram which arrives faster than a letter, which has an average 1.6-day delivery rate. More than 90,000 mailgrams are transmitted each day by Western Union to local post offices where they are sorted and delivered with the next day's mail.

Mail as we know it will give way to messages printed by machines or flashed on screens in the home

The service stopped short, however, of accepting a Xerox proposal to set up facsimile transmission terminals in post offices, commercial locations and company mailrooms across the nation. Messages would arrive at post offices and be delivered the same day by special delivery carriers. Although Xerox claimed the post office could make \$50m. a year in seven years, officials rejected the proposal on the ground that such a service should be open to other bids.

Several Congressmen were incensed by the rejection as they are by the service's refusal to move quickly into electronic communications. The postal service, before its 1970 reorganisation, was supposed to save 20 per cent in expenses under management, comparable to a well-run business. Instead, it is losing up to \$1bn. a year. Congressmen were equally indignant over a report by the Commission on Postal Service, created last year to recommend ways to improve the post office's financial operation, which re-

commended increasing Government subsidies and cutting deliveries from six to five days a week. If these suggestions are followed, said the Commission, first class rates can be held to 22 cents by 1985; if not they will rise to 28 cents.

Since reorganisation, postal rates and costs have continued to climb. Postmaster General Baller recently announced that first class stamps would rise from 13 cents to 16 cents this year, subject to approval by the Postal Rate Commission. President Jimmy Carter, true to postmaster leanings, persuaded Mr. Baller to support a "citizen's stamp" costing 13 cents for private users who display a handwritten address and/or return address on their envelopes.

While the citizen's stamp may prove popular, with the voters, it will do little to overcome rising costs—mostly due to higher wages. If the postal service is ever to operate profitably, it apparently must move quickly towards electronics. Officials, however, say they are awaiting a research report due in June, 1978, before setting a policy on electronics.

Mr. Baller claims that the service lacks the capital to invest in electronic equipment, and the technical expertise. He told the New York Times in March: "If private industry is willing and able to provide a service, why in heaven's name should the Government get involved?" He and others doubt whether their current legal monopoly on first class mail would apply to electronic messages.

Impatient Congressmen have suggested making the Postmaster General a presidential appointee. He is now appointed by the Board of Governors, appointed by the President or insisting upon electronic mail involvement by the service. If this course is not followed soon, many Congressmen feel the Post Office may as well be brought back to the Federal Government where it would stick to its traditional function of delivering mail, cut costs by gradually cutting service, and recognise profitability as a forever elusive ideal.

the cost of such equipment should drop sharply after the next generation of communications is launched

250m. market in 1976, according to quantum science, and sales are expected to zoom to \$3.5bn. by 1985.

The postal service has dipped its toes into the unfamiliar waters of electronic communications by co-operating with Western Union in establishing "Mailgram." Mailgram is slower than a telegram which arrives in a few hours, but usually faster than a letter, which has an average 1.6-day delivery rate. More than 90,000 mailgrams are transmitted each day by Western Union to local post offices where they are sorted and delivered with the next day's mail.

The service stopped short, however, of accepting a Xerox proposal to set up facsimile transmission terminals in post offices, commercial locations and company mailrooms across the nation. Messages would arrive at post offices and be delivered the same day by special delivery carriers. Although Xerox claimed the post office could make \$50m. a year in seven years, officials rejected the proposal on the ground that such a service should be open to other bids.

Several Congressmen were incensed by the rejection as they are by the service's refusal to move quickly into electronic communications. The postal service, before its 1970 reorganisation, was supposed to save 20 per cent in expenses under management, comparable to a well-run business. Instead, it is losing up to \$1bn. a year. Congressmen were equally indignant over a report by the Commission on Postal Service, created last year to recommend ways to improve the post office's financial operation, which re-

commended increasing Government subsidies and cutting deliveries from six to five days a week. If these suggestions are followed, said the Commission, first class rates can be held to 22 cents by 1985; if not they will rise to 28 cents.

Since reorganisation, postal rates and costs have continued to climb. Postmaster General Baller recently announced that first class stamps would rise from 13 cents to 16 cents this year, subject to approval by the Postal Rate Commission. President Jimmy Carter, true to postmaster leanings, persuaded Mr. Baller to support a "citizen's stamp" costing 13 cents for private users who display a handwritten address and/or return address on their envelopes.

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Oil search by BP moves to west Magnus Field

LAY DAFTER, ENERGY CORRESPONDENT

H PETROLEUM is to be drilled for oil close to its field following an oil well west of the Shetland Islands.

The company said the discovery's commercial significance would not be known until further drilling had been carried out in the area. But BP and its partners are not planning to return to the block before the end of this year.

The oil discovery, which has not been named, was made in a water depth of 138 feet in the south-west corner of Block 206/8. Its success has caused a number of companies to re-evaluate the potential of the West Shetland Basin.

However, the performance of the well appears to have been less encouraging than many in the industry had hoped and there remains considerable doubt about the commercial prospects for finding oil and gas in this general offshore area.

Nevertheless, other companies are moving to the area to fulfil their licensing and drilling commitments in various blocks. EBF is drilling in Block 206/11; Esso is about to drill a second well in 206/12 and Phillips plans an exploration attempt in 206/25.

BP has still to take a decision about developing the Magnus Field which was discovered by the Sedco 703 rig three years ago. It is pointed out that this latest exploration attempt is not connected with the field itself. However, any find in that block will enhance commercial prospects for the northerly Magnus Field.

BP's partners, including ICI, BP made a rough discovery in the wetlands area. It is a substantial thickening of rock in an area which had previously been considered to be oil-free.

It is pointed out that it was yesterday that it was found from two intervals of rock. The heavy sand was at a rate of 2,920 barrels a day through one-inch chokes.

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Glee and gaiety is Blackpool's goal

BY IAN BREACH

BLACKPOOL is built for fun, which is probably why it is such a sad place in some respects. Practically any other town of this size — 150,000 people — would maintain a balance between the worlds of business and pleasure.

In smaller, rural communities, it is still possible to find a simple integrity, where the division between work and non-work is blurred.

By contrast, Blackpool is unremittingly dedicated to the manufacture and retail of glee and gaiety.

That was the way it was planned. For more than a hundred years, Blackpudlions have been well pleased with their image.

Proud, even that this is where Sarah Bernhardt was seared off the stage of the Pavilion in 1876. "We haven't paid for it likes of that."

From the time the town received its Charter in 1876 to the opening of the Tower in 1894, the trend was clear.

Working people would come and come again to Blackpool, attracted not only by the sea, the sand and Blackpool's reputation as a healthy place, but also to marvel at the wonders that capitalism and engineering were bringing to Blackpool.

So after a breakfast at which it was common to take two pints of seawater, followed by a quart of gin-faced beer, the cheap lodging houses disgorged their visitors—already arriving in hundreds of thousands by the turn of the century—to ride the world's first trams, to ascend hydraulically to the top of the Tower, to dance in the splendour of the Water Gardens and to goggle at the electric arc lights on the promenade.

In the 1970s, the formula remains largely unaltered. At the last survey, six million people visited the town in a year, leaving £70m. in Blackpool banks and tills.

Nearly half the holiday-makers had been to the resort 10 or more times before, most of them from the north, the Midlands, and Glasgow.

A high proportion fell into the C2, D and E social groups: three-quarters of all visitors were from the manual working, unemployed, and pensioned sections of the population.

What they do in Blackpool is an unsurprising version of what their grandparents did—eat, drink, dance, shop, bathe, and laugh.

A flirtation with Mediterranean package-tours in the 1960s may have introduced a few new tastes; the guest-houses all have colour TV; and the strip-club (somewhat incongruously) has established itself as an alternative to the bingo parlour and beer house.

Otherwise, it is the mixture as before. They still arrive by charabanc to become the town's captives for a full week or a fortnight.

During the main holiday season, Blackpool's population trebles, which does rather dwarf London's tourists' problem. But in Blackpool, there is likely to be more in common between the native and the visitor.

Many ladies—unfairly caricatured over the years as avaricious battle-axes—become personal friends of their guests and pay return visits to Halifax, Barnsley, Rochdale and other catchment towns.

There is a unifying and abiding faith in good-neighbourliness, value for money and, generally, money. Invariably in high denomination notes, is spent freely and not just by holiday-makers.

In the early 1970s, the resident population was speeding nearly twice as much on non-food shopping as the rest of the north west region and 80 per cent. more than the U.K. as a whole.

This has to be set against an inevitably high unemployment rate out of the holiday season—sometimes as high as 12 per cent.

Times and perceptions are changing, though. A welter of new regulations on hygiene, occupational health, and safety have made it more difficult to run ordinary houses as private hotels.

An increasing proportion of Blackpool's 5,000 hotels and boarding houses are giving way therefore to self-catering holiday-hats.

Uncommonly inexpensive they are, too. Many newly-converted ones are being rented this summer for £4 a person a week.

There is no doubt in the minds of both municipal authorities and the private catering sector that holiday trade figures are well down this year. Indexed to inflation, they have been dropping for some time.

There is also the unlooked-for effect on the Fylde coast of the region's newly developed road pattern. When the A155 was completed, joining Blackpool directly to the M6, M61, and M62, hoteliers and traders rubbed their hands in anticipation of a renewed charge of business.

It has not happened in quite the way they expected. Many more motorists come to Blackpool, and general economic stress.

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Ministry starts spares inquiry

By Michael Donne, Defence Correspondent

THE MINISTRY OF Defence is now conducting a detailed inquiry into sources of spares for military vehicles, in the light of public concern over allegations that some spares have been bought in recent years from the Soviet Union and other East European countries.

It is not a formal inquiry in the sense of appointing specific individuals to sit round a table and conduct a public enquiry into the behaviour of government practices, but it is a study into what sources of spares can or should be modified for commercial and military security reasons.

The decision to look into the matter stems from the recent disclosures that some parts, including engine bearings and fan belts for Scorpion light reconnaissance vehicles, and in some cases bearings for Chieftain tanks, have been acquired from the Soviet Union and Romania.

The Defence Ministry points out that when the vehicles leave the U.K. production lines and enter service with the Army, they are all-British in manufacture.

But once in service the Army is allowed to buy some spare parts below a certain cost level on the open commercial market, provided the price is right, and if the replacement is particularly urgent.

These spares are bought in West Germany from commercial suppliers who in turn buy them from a variety of sources. These include U.K. manufacturers and others, some of which are in Eastern Europe.

War reserves
The Army is often obliged to buy its spares in this way because most of the home-produced spares go straight into what is called the War Maintenance Reserve—stockpiles of equipment for use solely in time of war, and which cannot be drawn on in peacetime.

The Ministry argues that there would be no question of U.K. military vehicles, armoured or otherwise, being dependent on the Eastern European sources in wartime.

But it is accepted that there is sufficient public concern to warrant an internal review of the whole question of spares procurement with the aim of changing the system by perhaps ensuring that only U.K. or NATO-made parts could be acquired in future.

In any case, it is also stressed that the volume of parts acquired from these foreign sources is comparatively small when measured against the overall requirements of the Army.

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Scale inquiry Scargill to appear witness to-day

FINANCIAL TIMES REPORTER

THUR SCARGILL, the miners' leader, will be called to give evidence in the Windscale inquiry as a witness for one of the groups objecting to the plan for a nuclear fuel re-plant.

Mr. Scargill is expected to appear at a week-end hearing in which he will lead the case for the Environmental Protection Society, which will be submitting evidence in Whitehaven this week-end.

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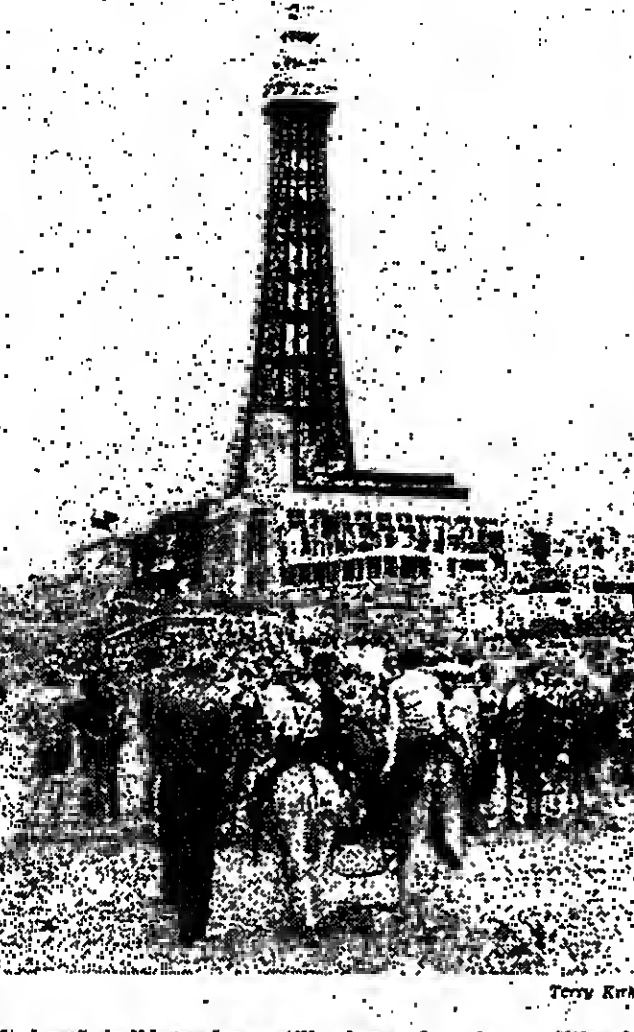
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Blackpool holidaymakers still plump for the traditional dip in the sea and a donkey ride.

Industry hits back at Spiegel attack on managers

BY CHRISTOPHER DUNN

INDUSTRIALISTS and politicians reacted strongly yesterday to the outspoken attack on British management which appeared in the German magazine Der Spiegel over the week-end.

Sir Derek Ezra, chairman of the British Institute of Management Council was particularly vehement.

The potential of British managers is not in doubt. There are over 2,300 advertisements a month, and rising, to tempt British managers to work abroad," he said.

According to Der Spiegel, Britain's economic plight was the result of bad British management. British managers treat their workers "like dirt," the article alleged, adding that the work force was not to blame for Britain's problems.

It also said that Britain should have works councils to thrash out industrial problems, and these councils might help break down elitism among U.K. managers. Poor management

had also led to inadequate investment levels.

But Sir Derek disagreed with this interpretation. "In post-war years, we have been living in an environment of frequent major changes in economic policies, of increasing taxation and closing differentials. Managers are bound to be affected by the environment in which they work."

He contrasted this fluctuating situation with the position in Germany, where "through a remarkable degree of continuity of economic policy, German industry has been able to forge ahead."

Mr. John Methven, Director-General of the Confederation of British Industry, said the article seemed "based on a Confucian stereotype of a mullah-at-the-bit."

British managers are among the best in the world but they are also among the biggest tax-payers in the world. They are having to bear the brunt of the fight against inflation," Mr. Marcus Fox, Conservative

Callaghan considers bugging allegations

BY PHILIP RAWSTORNE

NO EVIDENCE to support allegations that the security services "bugged" Sir Harold Wilson's rooms at Downing Street and the Commons while he was Prime Minister has yet been submitted to the Home Office.

The Prime Minister, who last week appealed for evidence to be given to the Home Secretary, was said yesterday to be considering whether further public exchanges on the issue merited an inquiry.

Mr. Callaghan is understood to have been in touch from his Sussex home with Mr. Merlyn Rees, the Home Secretary.

Mr. Chapman Pincher, who reported the security surveillance in the Daily Express yesterday, said Sir Harold's claim that it was "incredible" he had no documentary evidence that the security services had at one point suspected five Labour Ministers of being members of the Communist Party.

Government sources declined to comment yesterday on further reports that a "titled woman" whom Sir Harold's former tour manager, Mr. George Caunt, alleged was the focus of security interest in No. 10 Downing Street, was Baroness Plummer, who died four years ago.

Lady Plummer, whose husband had been Labour MP for Deptford until his death in 1963, was a personal friend of Sir Harold and Lady Wilson.

Mr. Caunt said yesterday he would neither confirm nor deny that his allegations had referred to Lady Plummer.

Stoke campaign to end youth unemployment
By Our Stoke Correspondent

A CAMPAIGN against youth unemployment in Stoke-on-Trent was launched yesterday based on the slogan of "No more young people in the streets."

It is backed by local MPs and Mr. Albert Booth, the Minister of Labour, who said: "The scheme is ideal for this area for it has a high number of small independent firms."

Stoke has 11,000 unemployed or 5.1 per cent of the workforce, which is slightly below the national average. Youth unemployment figures, however, have doubled in the last month and now stand at 2,500.

House prices up by 3% in three months

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

AVERAGE house prices rose during the second quarter of this year by three per cent, when compared with the first three months of 1977, according to official figures released yesterday.

Statistics from the Department of the Environment show that the average price of homes on which new mortgages were approved between April and the end of June was about £13,700. The figure represented a three per cent rise over the first quarter period and one of six per cent over the second quarter of 1977.

For new homes, the average price, weighted in the second quarter of this year was about £14,500, an increase of 3.5 per cent over the preceding three months and 8.5 per cent up on the same period 12 months before.

The average price for second-hand homes stood at about £13,550 in the second quarter, a rise of three per cent over the previous three months and 5.5 per cent higher than a year ago.

According to the Department, which compiles its figures from returns made by the building societies, the average mortgage advance approved for all homes in the second quarter of 1977 was about £8,770, or 64 per cent of the average price.

This compares with 63.5 per cent in the first quarter of this year and 65.5 per cent recorded a year ago.

The latest figures confirm earlier estimates of house price trends so far this year. In the first quarter of 1977, average prices had risen by 1.5 per cent and in the second quarter they showed a further 1.5 per cent rise. At this rate, the rise in house prices remains a modest one.

None of the major building societies foresees an explosion in prices in the months ahead. They point out that there is still a plentiful supply of homes on the market and a fairly high number of houses at some stage of construction.

Potential purchasers are, in addition, still taking a cautious view about total commitments. The market is uncertainly surrounded by the effects of the housing market of any significant upturn in earnings in the coming months which could quickly be translated into house prices.

Datapost mail extended to Japan and Kuwait

BY JOHN LLOYD, INDUSTRIAL STAFF

INTERNATIONAL Datapost, the high-speed door-to-door delivery service, was extended yesterday to include mail links from Britain to Argentina, Japan and Kuwait.

This will mean that business documents posted in London on weekdays should reach centres throughout these countries within 48 hours. Datapost to

Education of gifted children threat to society

BY IAN DIXON, EDUCATION CORRESPONDENT

THE EDUCATION of gifted children is often neglected in comprehensive schools, and yet his needs are just as intense as those of the least able," Dr. Boyson said.

"Unless this neglect is rectified, we shall destroy the seed corn of the future: the scientists, managers and leaders who come from the most able members of our society."

"If British industry is to revive and we are not to become an economic slum of the coast of Europe, then we need not only financial incentives to entrepreneurs and inventors, but we need schools dedicated to the academic achievement of the most able."

Editorial comment, Page 10

APPOINTMENTS

Norwich Winterthur Underwriting Management

Our clients, the Norwich Winterthur Re Group, underwrite a substantial and growing premium income (approx. £70m. net). They are currently reorganising their top management and are in consequence looking for someone to assume overall responsibility for their Underwriting Room in Lime Street.

Candidates for this critical appointment should possess wide experience of Reinsurance Underwriting (particularly in the Non-Proportional field) and should, in terms of their own career development, now be looking for a position which combines management duties with ultimate responsibility for a comparatively autonomous Underwriting team.

Applicants should be imaginative, flexible and resourceful and so capable of further extending the Group's influence in a highly competitive market.

A substantial salary is negotiable plus mortgage facilities and a motor car.

It is appreciated that preliminary discussions will be of a largely exploratory nature. Those wishing to obtain further information are invited to contact our Managing Director, Mr. D. R. Whately, who himself possesses a City Insurance background. Confidentiality will be observed. Ref: 397.

WHATELY PETRE LIMITED, Executive Selection, 6 Martin Lane, London EC4R 0DL. Tel: 01-623 8430.



LABOUR NEWS

ACAS will take Grunwick case to the Lords

BY NICK GARNETT, LABOUR STAFF

THE Advisory, Conciliation and Arbitration Service (ACAS) has today challenged in the House of Lords the Appeal Court ruling which invalidated its recommendation that a trade union should be recognised as the Grunwick film processing factory.

At present an employer has legal protection when blocking attempts by the conciliation service to 'ballot' workers, says it will be taking the Appeal Court's decision into account in the way it operates.

Civil Service moves delayed a year

BY DAVID CHURCHILL, LABOUR STAFF

THE GOVERNMENT'S plans to disperse over 30,000 civil servants from London over the next decade have been delayed by some 12 months, according to a revised dispersal timetable published by the Civil Service Department.

These estimates are disputed by the Civil Service unions who suggest that costs will exceed £1bn, which they argue would be too expensive at a time of Government cut-backs.

Toolmakers' strike lays off 7,500 Lucas men

THOUSANDS of Lucas workers due back from holiday yesterday were laid off because of the continuing strike by 1,200 toolmakers at machine makers.

Disciplinary hearing for 20 Midlands journalists

BY OUR LABOUR STAFF

TWENTY JOURNALISTS employed by the East Midlands Allied Press Group appeared before a disciplinary committee of the National Union of Journalists yesterday on the first day of an inquiry into their conduct during the group's six-month strike which ended on May 19.

editor of the Northamptonshire Evening Telegraph, who ran the paper single-handed during the dispute.

Scottish college course on industrial relations

AN EDUCATIONAL course which, it is claimed, could help to avert some strikes, is to open at six colleges in September.

Details of the course were announced yesterday at a Press conference in Glasgow.

AUEW drops nomination of Boyd

THE Amalgamated Union of Engineering Workers executive will be withdrawing the nomination of Mr. John Boyd, its general secretary, from the list of candidates for the TUC general council at next month's congress.

Dustmen go on strike

TWO HUNDRED Wolverhampton dustmen went on strike yesterday, halting all collection of refuse. They normally collect up to 350 tons each day.

London's old house scheme gets underway

THE NAMES of the first Londoners who will have the chance of buying a home under the GLC's home-owning scheme will be chosen next month.

Call to police for pay talks unity

A CALL to the Police Federations to take part in pay negotiations to take place on August 15, has been made by the Police Superintendents' Association and from the official Home Office side of the Police Council.

Call for more gypsy sites

LOCAL AUTHORITIES owe it to their ratepayers to provide gypsies with sufficient legal caravan sites, Mr. Ken Marks, Parliamentary Under Secretary, Department of the Environment, said yesterday, speaking in Leeds during the first of his series of fact-finding visits to authorised and unauthorised sites in England.

INSTITUTIONAL SALES EXECUTIVE SPENCER THORNTON & CO. We are currently expanding our U.K. institutional sales team and have a vacancy for an experienced executive.

CONTRACTS AND TENDERS TENDER NOTICE PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY 1. The Pakistan Water and Power Development Authority has entered into an agreement with the International Bank for Reconstruction & Development (IBRD) under which it is to receive a loan (IBRD Loan No. 1208-T-Pak).

THE REPUBLIC OF MALAWI CITY OF BLANTYRE NOTICE TO SUPPLIERS/CONTRACTORS FOR PREQUALIFICATION Tenders will be invited for the construction of extensions to the sewerage network and sewage disposal works in the city of Blantyre.

COMPANY NOTICES THE SOUTH STAFFORDSHIRE WATERWORKS BOARD NOTICE IS HEREBY GIVEN that the Transfer of the Company's shares to the new company will be completed on 1st August 1977.

BANKING Experienced Foreign Exchange Positions and Instruction Clerks aged 21-24. EVANS AGENCY 01-628 0985

STOCKBROKERS OFFICE MANAGER small well established firm of London stockbrokers require an office manager. A senior clerk with wide experience would be considered for the post.

LEGAL NOTICES No. 00248 of 1977 in the HIGH COURT OF JUSTICE (Chancery Division) In the Matter of DANBY DECORATORS and in the Matter of THE COMPANIES ACT, 1968

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9 1/2 per cent. EXCHEQUER STOCK, 1981 ISSUE OF £200,000,000 AT £97.50 PER CENT. TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

Call to police for pay talks unity THE NAMES of the first Londoners who will have the chance of buying a home under the GLC's home-owning scheme will be chosen next month.

Slow response to car pool BRITAIN'S FIRST car pooling scheme, launched in Ipswich last month, cannot get off the ground.

Call for more gypsy sites LOCAL AUTHORITIES owe it to their ratepayers to provide gypsies with sufficient legal caravan sites, Mr. Ken Marks, Parliamentary Under Secretary, Department of the Environment, said yesterday.

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Tuesday August 2 1977

No miracle for Ulster

"THE Northern Ireland economy is in serious difficulty and, if no measures are taken, the outlook is grim." These words of the Quigley Review Team last November summed up an official report that was remarkable both for its forthrightness and for its imaginative appeal. The report, which has been a political talking-point since its publication, predicted a very high economic priority. The package of measures announced yesterday by Mr. Roy Mason is by no means miraculous and cannot really be said to meet the long-term needs of the situation as Quigley defined them. Nor will it go far towards alleviating a desperate short-term problem. On the other hand, with luck it may have some impact upon the medium-term.

Irreversible

The immediate effects of the course, spent upon the unemployment figures for the Province. At 13 per cent, the Northern Ireland rate is nearly five years' worth of unemployment as high as in the United Kingdom and has almost trebled in the past three years. Some of this surge is no doubt purely cyclical and some perhaps (though less than is commonly supposed) is due to the political troubles. There are, however, clear and ominous signs of a more permanent industrial decline which make it enormously difficult to create new jobs at a rate fast enough to bring down unemployment overall.

Some assessments suggest that production costs in Northern Ireland have risen during the past five years 20 per cent, faster than selling prices and last year more than 75 companies closed down their activities in the Province at a loss of about £100m. to the economy. The Quigley Report calculated that at least 25,000 further jobs are bound to disappear in any case by 1980, and it follows that the possibility of an irreversible slide into hopeless stagnation and poverty is by no means fanciful.

Of the Government's new measures to meet this prospect, only one—the allocation of another £2.7m. to the construction industry—will have much

immediate effect upon the employment figures. Mr. Mason has preferred to rely on a slower, but ultimately more rewarding, strategy of trying to attract new investment to the Province, mainly from overseas. His problem is that he is in competition for mobile capital with the Irish Republic in the South, and the Republic's incentives and conditions cannot be matched cheaply—indeed, as they do, a 15-year "tax holiday" on export-generated profits, capital grants of up to 50 per cent, and considerably lower input costs in some areas notably the crucial factor of electricity.

Mr. Mason has now brought up the capital investment grants in Ulster in the worst area of unemployment to the equivalent of the maximum rate in the South, "more" and "more" steps to tackle the electricity problem. His £250m. write-off in the debts of the Northern Ireland Electricity Services and the provision of £100m. in grants over the next five years ought to bring tariff down to within striking distance of the Republic.

Differential

What he has not been able to achieve is a differential tax rate for Northern Ireland companies. The Cabinet no doubt argued that with ferocious complaints already being made by the English regions over the Scottish Devolution Bill, the climate for an even more radical departure in favour of Northern Ireland was out of the question. This refusal also has to be set in the context of Britain's total subvention to its Northern Ireland region—£900m. at present—including £100m. on the cost of the armed forces—and likely to rise again sharply next year.

The true cost in economic terms of sectarian war can be seen here. It is not so much the destruction of buildings and the dislocation of the lives of workers that prevents a radical attack upon what is basically a problem of the decline of a great Victorian industrial centre. It is the effect of the endless violence on the minds of British ministers and ultimately English and Scottish voters.

The 'problem' of giftedness

SOME unusually bright school children are disruptive in their behaviour; some even adopt a disruptive pattern of behaviour to get themselves referred for examination to an educational psychologist, who then discovers that their own teachers had overlooked them. It is less a little surprising to learn that a number of local education authorities have committees or working parties investigating "the problem of giftedness," as if it were a positive nuisance that the state education system should have to deal with children of exceptional talent, actual or potential. But these authorities are relatively few in number and are, in fact, the shining examples: most appear to have no particular policy at all on this matter, and those who fear that the state system tends to produce a retrogression towards the mean seem to have some justification.

The evidence is contained in a discussion paper issued over the week-end by a working party of HM Inspectorate and entitled Gifted Children in Middle and Comprehensive Secondary Schools. "Gifted" and "Giftedness" are not pretty or precise words—their use is probably due to the existence of a National Association for Gifted Children—and the paper suggests a number of definitions. The practical point of greatest importance, however, is that only a minority of schools seem to recognise any definition at all.

Egalitarianism

The variety of attitudes towards giftedness encountered by the working party in its inquiry was very great. At one extreme was the school "where strong egalitarian views were held by the staff," whose teachers refused to acknowledge that there was a category of pupils for whom some special provision might have to be made—though they acknowledged the existence of a special remedial category. At the other extreme

there were the schools, not only in middle class communities but sometimes in those where there is a high percentage of immigrants, where pressure from parents obliged the schools to recognise their responsibilities in this direction.

In between these extremes the working party found a spectrum of attitudes. Some schools had more pressing problems to deal with, perhaps because of the area which they served or because of recent reorganisation. Some argued that the gifted could look after themselves. A great many had never thought about the matter at all and found it difficult to name more than a few children of very high ability. Some which were visited because they claimed to deal with giftedness showed little sign of actually doing so. In general, the paper remarks drily, "to suggest that school policies exist for identifying giftedness is to overstate the case."

Insensitive

This paper is one of a series intended to stimulate professional discussion; it is clearly pointed out that nothing said in it is to be construed as implying Government commitment to the provision of additional resources. It proposes a number of ways, none of them entirely satisfactory as a general solution to a complex problem, in which the teaching of the gifted child in the State system might be improved—though it can be argued that to state a problem is itself the first step towards its solution. It seems scarcely credible that so many schools, while sensitive to the special needs of those slow to learn, should be insensitive to the needs of those who are exceptionally quick, or that talent in music or games should be given such precedence over talent in other subjects. Some of the changes in the teaching profession at which Mrs. Williams recently hinted in a discussion paper of her own seem to be seriously overdue.

Davignon's drive to halt the decline in European steel

By DAVID BUCHAN, from Brussels

THERE IS no question of Europe going out of the steel-making business. Unlike textiles, TV tubes or motorcycles, steel is too strategic an industry to be left to outsiders. How big a steel industry Europe should have is another matter. Vicomte Etienne Davignon, the EEC Industry Commissioner, has warned that 100,000 jobs out of the present 736,000 EEC steel workforce are in danger. Some Brussels officials think Europe needs a steel workforce of no more than 500,000 to match the productivity of American and Japanese competitors.

The European industry is now in its third year of deep decline, after the peak years of 1973 and 1974. By the old rule of thumb of roughly five years for a complete steel cycle, steel depressions rarely lasted more than two years. But this year so far has in fact been a little worse than last and Commission officials see no real improvement before 1980 at the earliest. Eero with an average plant use of less than 65 per cent, with extensive redundancies and short-time working, production has continued to outstrip demand, much of it going straight into stock.

Widespread price cutting and rebating have been the result of this steel surplus overhanging the European market—a situation compounded by buoyant imports (not only from Japan, but also from Korea, South Africa, Australia and so on) and relatively stagnant exports. The Community's biggest steel producer, the British Steel Corporation (losses of £95m. this year, and a forecast of triple that figure next year) has provided the most dramatic example of the financial plight of the industry. But it can be matched elsewhere in the Community. In 1975 the ratio of French steel's long-term debts to annual turnover was 113 per cent, and in Italy 88 per cent, and the situation has not improved since.

Since the start of the year the Commission has been trying to do something about this sorry situation. The undoubted desire of Vicomte Davignon to cut a dash on the European scene is partly behind Brussels' new activism. But so is the view that it would have been irresponsible of the Commission not to use the wide-ranging powers over steel given it in the 1953 Treaty of Paris which set up the Coal and Steel Community.

Since January the Commission has asked companies to obey certain voluntary limits on steel deliveries on some six products. For the first quarter these were set too generously. Partly because of this and partly because certain northern Italian producers in the Brescia area paid no attention to the Commission's quotas, Vicomte Davignon decided to supplement the tightened-up quotas with

minimum guideline prices starting in May. These have been widely followed, and the Commission declared itself on June 28 pleased to note that "The indicative prices are now going to outsiders. How big a steel industry Europe should have is another matter. Vicomte Etienne Davignon, the EEC Industry Commissioner, has warned that 100,000 jobs out of the present 736,000 EEC steel workforce are in danger. Some Brussels officials think Europe needs a steel workforce of no more than 500,000 to match the productivity of American and Japanese competitors.

The one exception is the imposition of a mandatory price on reinforcing bars, widely used in the construction industry and made efficiently and cheaply by the small "Bresciani" mills, with electric furnaces and taking advantage of the prevailing low price of scrap. Most of the "Bresciani" refused to obey the production quotas on these bars and have still refused to obey the minimum price on this product—

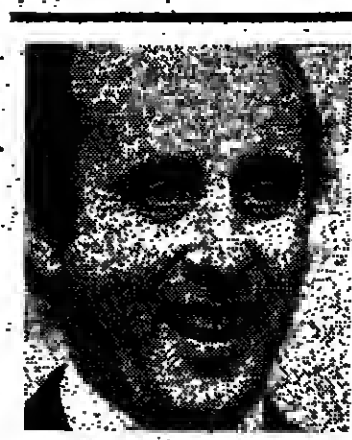
which they see as an attempt to drive them out of business. The Commission is now faced with the choice of either fining them or ignoring them.

Apart from being smugged by the "Bresciani", Commission officials reckon they have won remarkably solid support from the sector as a whole behind their attempts to stabilise short-term price and market conditions. Any Brussels decision to continue into next year the voluntary guideline prices and quotas could strain that solidarity.

The second and long term stage of the Davignon steel plan will certainly strain relations not only with the companies but also with national governments. It involves the Commission, using both its financial resources

and its treaty powers, attempting to bribe, cajole and bludgeon companies and governments into modernising steel plant without increasing steel-making capacity. That will inevitably mean closures of old plant, though the euphemism for this is "rationalisation."

The problem, as the Commission sees it, is that according to its latest survey of future investment—carried out this spring—the European industry plans to increase its present capacity of 202m. tonnes a year, already seriously under-used, to 214m. tonnes by 1980. At the same



Vicomte Davignon

time Community steel consumption by that year will still be only about 180m. tonnes, and the prospect for net exports (exports minus imports) is only about 15m. tonnes a year. Demand for plate in shipbuilding is unlikely to rise until the EEC wins back more orders from Japan, steel tube demand is totally stagnant, and while the car industry may build more cars, it will also go on building smaller cars using less steel. The Commission has yet to state what it considers the ideal size for the industry, but it does consider the 214m. tonnes figure too high.

How does the Commission intend to shape the industry to its will? Officials here admit they have no hold over the few European companies—mainly German and also the Bresciani grouping—that take neither ostional nor EEC money. These cannot be stopped from investing where and how they like. But article 4 of the Treaty of

EEC STEEL INDICATORS

	1974 (Jan-June)	1976 (Jan-June)	1977 (Jan-June)
EEC production (m. tonnes crude steel)	78.37	67.31	65.02
Capacity utilisation percentage	87.4	68.1	64.5
Employment (June)	728,000	750,000	734,000
Short time working workers affected (June)	—	18,000	120,000
Hours lost (million) (June)	—	0.5m.	4.0m.
Orders booked (m. tonnes finished product)	60.65	49.56	47.50
Exports booked (m. tonnes crude steel)	11.41	7.19	10.00
Imports (m. tonnes crude steel)	4.04	6.21	6.00
Exports (m. tonnes crude steel)	14.99	9.07	11.40

a corresponding closure of capacity. The effect of this threat will of course vary with the dependence of the company on these loans. Last year about 23 per cent of total investment of £1.5bn. European units of account (some £2.1bn.) from the Community was financed by ECSC loans. In Germany, where the steel industry as a whole in any case takes less national aid than elsewhere, it was lower, at 18 per cent. But the Commission is also trying to increase its leverage with the industry by making ECSC loans more attractive. In spite of Vicomte Davignon's earlier promise to borrow more money and lend it to the steel companies this year, the pace of ECSC lending has in fact slowed down—precisely because the Commission is examining more carefully where the money is going.

Compared with the 726m. EUA lent last year only 200m. EUA have gone in loans in the first half of this year. But the Commission this month approved the spending of 20m. EUA (£15m.)—some of which will come from the ECSC levy—on each tonne of Community steel—in interest rate subsidies on the loans. Hitherto, ECSC interest rate subsidies have only been available on loans for the conversion of steel plant to non-steel uses. Now they can also be used for steel plant modernisation.

At the moment the Davignon officials are asking governments and national steel federations for their investment plans and production and consumption estimates in order to carry out the badly needed revision of their 1980-85 "general objectives" for steel, which though published last October are widely out of date and based mainly on 1973 data. The plans have been slow to come in. There is the 10-year plan for the BSC and the Italian Government has promised its plan within a few weeks. But to the surprise of Brussels officials, the French Government which earlier this year seemed to know its mind on the future of French steel has still to land its plan on Vicomte Davignon's desk. There is nothing yet from the Germans, and for Belgium and Luxembourg there is the added

complication of a study that McKinsey, the U.S. consultants, are doing on the steel industry of those two countries and which will not be ready until the end of the year.

But two planned investments have already posed the political dilemmas for the Commission in a particularly acute form. It has been made clear to the Italian Government that Brussels only wants to see a big new Italsider steel complex go ahead at Glajo Tanro in Calabria if an existing one in the Naples area is closed down. But this Calabria plant was promised in the wake of the regional riots there in the early 1970s, and Brussels is treading on dangerous ground.

Port Talbot expansion

It is making no secret of its desire to see the BSC's £590m. expansion at Port Talbot ahead only if some of the existing capacity is also shut down. It is still unclear how far or how fast BSC wants to proceed with the Port Talbot expansion, but Brussels interference here would give handy ammunition to Britain's anti-Marketters.

If political pressures and high unemployment make closures impossible, the Davignon officials acknowledge they are faced with a further dilemma. Do they then make modernisation the higher priority and allow new investment to proceed anyway, or do they rather insist on no increases in capacity and try to put a step to new projects? In running their current Community price and production cartel and the future rationalisation scheme, the Davignon officials are relying on the industry's co-operation through Eurofer. This body, which replaced the old Club des Siderurgistes, wound up last December, has finally surfaced with a small secretariat in Brussels and with the head of the French patron, the view shared strongly by Jacques Ferry, as its head. The freeze EEC steel exports at a low level, before the Brussels Steel Directorate feels it needs any help it can get from Eurofer, even if work

can get from Eurofer, even if work

THE TOP 10 COMPANIES PRODUCING THREE-QUARTERS OF EEC STEEL

Name	Ownership	Percentage of 1976 EEC production
BSC	State (British)	14
IRI (Italsider)	State (Italian)	10.1
Thyssen	Private (German)	10
Maier-Wendel	Private (French)	8.3
Estel (Hoogovens-Hoesch)	Private (Dutch)	8.0
Usinor	Private (French)	7.0
Arbed	Private (Lux.)	7.0
Cockerill	Private (Belgian)	4
Paris-Roubaix	Private (Belgian)	4
Krupp	Private (German)	3.8

Paris flatly forbids national government aid to steel companies. Of course, it has never been enforced in the 24-year history of the Coal and Steel Community. It may seem laughably rash, but the Davignon officials now appear willing to run the considerable political risk of trying to enforce it to stop projects of which the Commission disapproves.

The Commission also has the power—with which few would quibble—to deny ECSC loans and funds to companies which do not meet its criteria of matching any investment with

MEN AND MATTERS

Filming the saint's sail

If St. Brendan did indeed sail across the Atlantic to Newfoundland hundreds of years before Columbus, it is debatable whether his craft sported a leather sail—and it goes without saying he did not pack a film camera. Those items were among the aids when, a month ago, explorer Tim Severin and a small crew completed such a voyage using Brendan's route and the sort of leather boat which would have been his vessel.

Richard Odey, chief executive of leather company Barrow Hepburn, agrees cheerfully that though Brendan may have used a leather sail, it could well have been made of fax. That would have entailed "a lot more heaving and rowing," Odey says, but Brendan, who may have had a crew of 17, could have had no problems of labour shortage. Barrow Hepburn supplied Severin's sail and, less expectedly, put up most of the £40,000 it is costing to make a film of his epic voyage.

Brendan talked about a journey to the "Land in the West" in his *Na hEaglais*, but there has always been doubt over whether he or any of his contemporaries actually went. Severin's expedition, which started in May last year, involved wintering in Iceland, and a re-start in May this year, proved such a trip was possible.

The 38-foot long curragh used for his hull took 40 oak-tanned ox hides stretched on a frame of oak and ash. The hides were provided by a Cornish firm, Crogans, which specialises in turning out hides using traditional tanning methods. The leather sail had to be very light, but BH was well geared up to produce such an



"Here is the latest score... Evans has declared, setting Packer a target of five hundred thousand..."

supported by the National Enterprise Board in setting up a new tanning company. But Odey thinks that even at a time of stringency, there should be money available to help with projects like Severin's boat, called the Brendan after the seafaring monk.

Barrow Hepburn is hopeful of pulling in around £100,000 on the film, and has cut some of its competitors in on the action, though the participants do not include any of the companies ranged against the NEB deal. A coincidence, Odey declares.

Understandable

Under News of Old Boys in a Suffolk school magazine: "Richard, who was born in Lerwick, has just completed 40 years in the Civil Service, mostly in London. He has now returned to life in Shetland."

Nairobi rumpus

If major cities like New York can get into a financial mess, how much more at risk must be urban centres in less developed parts of the world. Until lately, Nairobi, which plays host each year to tens of thousands of tourists, has impressed visitors because everything seems to work so well. But behind the efficient exterior, the administration and finances are shaky, and has led to a tussle between the Kenya Government, and the City Council, or more specifically, between Robert Malano, who started an official investigation of the city's administration, and the new Mayor, Andrew Nguma (the latter took over recently from Margaret Konyatta, the President's daughter). Mayor Nguma and his town

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Press freedom and the closed shop

BY ALAN PIKE



A picket being arrested at the Northern Echo.

...D WALKER, Min... ent, will be hoavily uring the Parli- nner recess Inter- rest groups from er industry before vement charter edom, including the e of the closed shop is.

...siry has already ree on its own charter and the Mr. Walker being ct his deliberations phere of reflective i be aided by events n where, with print rt. a National Unio its strike over the at-entry closed shop to halt production of England News- ics, beginning isolation the facts igation dispute are as rd as the opinions ents drawn from omplex. National urnalists members of England News- ich produces the cho and Evening i Darlington and 's in the Darlington 's areas, last year post-entry closed tified the manage- y would be unwill- with any newcomers unless they were rs or were prepared on-NJU journalists, ere are about 26 und the company's — some members TUC affiliated Inst- alists, others mem- a union — were rom the chapel's England Newspapers Westminster Press the Newspaper

Society—the organisation representing local and provincial newspaper publishers—is completely opposed to a closed shop in journalism. The journalists' closed shop declaration was, therefore, a unilateral position rather than a negotiated one. It looked like being put to the test with a dispute over a non-NJU photographer last year but the crunch actually came this spring when Mrs. Josephine Kirk Smith was employed as a sub-editor on one of North of England's weekly papers, the Darlington and Stockton Times.

Refused

Mrs. Smith, returning to journalism after a break of some years, had previously been an NUJ member but refused to rejoin when she started work at North of England, although she has now become a member of the Institute. All attempts to persuade her to rejoin failed and at the beginning of June NUJ journalists at Darlington and Durham went on official strike. It has frequently been the NUJ's experience that withdrawing its members does not prevent newspapers from appearing and, in spite of some disruption through picket action, this proved the case at Darlington. The strike began soon after the settlement of a six-month-long NUJ dispute at East Midlands Allied Press in Kettering. With both sides sticking firmly to their principles, it looked at the outset as though the North of England dispute might become the longest-running dispute in NUJ history.

This view of the dispute has been changed, however, by the decision of the TUC printing industries committee to give "full and effective" support to

the NUJ, a decision which the print unions at Darlington are due to put into effect to-day. The printing industries committee's action is a significant one, for there have been occasions in the past when print unions have decided against supporting NUJ strikes.

The seriousness with which the print unions' leaders regard the refusal of Westminster Press to concede an NUJ closed shop at Darlington, however, is made clear in a statement to its members by Mr. Joe Wade, general secretary of the National Graphical Association, whose North of England members have been told not to cross NUJ picket lines from to-day. Mr. Wade says that the printing industries committee has "not lightly embarked on a campaign" which could lead to a head-on clash with Westminster Press and possibly jeopardise the print unions' members' future employment.

"The plain truth is that whatever differences may have existed between the NUJ and the printing unions over the issue of a closed shop for journalists in the past, the intrusiveness of Westminster Press constitutes a threat to the principle of the closed shop and, in that respect, a threat to any affiliation to the TUC printing industries committee is a threat to us all and one that must be resisted," he says.

The Darlington journalists firmly deny that they are seeking a closed shop out of any motivation to control the editorial content or policy of the newspapers for which they work. Disatisfaction with pay rates is given as the reason for the chapel (local office union section) deciding that their bargaining position must be strengthened by insisting upon a post-entry closed shop.

freedom and the closed shop since concern about the issue came to the forefront during the debate on the Trade Union and Labour Relations Act and its subsequent Amendment Act—the subject was almost bound to express itself in an industrial confrontation sooner or later. A dispute on the lines of Darlington was inevitable, but in many ways the fact that it has happened at Darlington is purely accidental.

Mr. Ken Morgan, the moderate and widely-respected general secretary of the National Union of Journalists, is spending his last months in that post trying to convince public opinion that his union's efforts to achieve closed shops in places like Darlington is a legitimate industrial ambition which does not shroud a secret desire for the union to control the content of newspapers.

In support of its position the NUJ points to:

- a record in defence of Press freedom in Britain and overseas in which it is proud;
- the fact that it was the union's policy long before the legal position was changed by the 1971 Industrial Relations Act to encourage its chapels to seek 100 per cent. post-entry membership—and the fact that there have long been newspaper offices which, formally or informally, have operated such agreements;
- an offer—supported by the TUC printing industries committee—to incorporate the six suggested safeguards for Press freedom contained in the report of the Royal Commission on the Press in any closed shop agreement reached at Darlington;
- the common existence of closed shops among printing workers, leading to the NUJ's view that it should be treated no differently to any other trade union in the industry.

Nonetheless, many NUJ members would agree that the rise to prominence of certain left-wingers in their union during recent years—particularly at the Annual Delegate Meeting—has heightened the fears of those who believe that, one day, total NUJ membership might be used by the union to encourage its members to pursue certain political lines in their work. The efforts of Mr. Michael Foot, when Employment Secretary, to keep the Press freedom debate in a low key were harmed considerably when the ADM took a hard line on the subject two years ago—although its decisions were almost all overturned in a subsequent ballot of members. The ADM, exercising a high degree of decision-making power within the NUJ, and there has been evidence that many of its decisions have been moving to the Left in recent years.

One body which is strenuously opposed to the closed shop is the Newspaper Society. The extent of its opposition was evidenced earlier this year when Home Counties Newspapers was expelled from membership after concluding a closed shop agreement with the NUJ.

In a document on the dangers of the closed shop distributed to members the Newspaper Society argues that "the fact that the contents of a newspaper are produced only by members of a single trade union is very much a matter of public concern, for that union would be in a position to exert on its members whatever degree of pressure it might choose to exert over the presentation and interpretation of news and current affairs." Today's NUJ policies, it argues, could take on a very different complexion faced with such differences in

approach it is not surprising that a committee of interested parties under the independent chairmanship of Lord Pearce, set up as a result of the Trade Union and Labour Relations (Amendment) Act to seek agreement on a voluntary charter for Press freedom, could not agree on some fundamental issues.

In the meantime, and during the Darlington dispute, one newspaper management has concluded a closed shop agreement with the NUJ. Wilson and Whitworth Ltd., publishers of newspapers in East London and Essex, resigned from the Newspaper Society when they signed it last month.

The agreement contains a joint affirmation from the union and management of their "dedication to the principle of the freedom of the Press" with both sides pledging to take "no action which would endanger that freedom." Disputes can eventually be referred to the Press Council or some other recognised arbitration body with the findings of this tribunal "fully and finally accepted by the company and the union."

Those who are convinced that there is no place for an NUJ closed shop if Press freedom is to be guaranteed are unlikely to believe that this agreement breaks much new ground, although it will probably be extensively quoted as the debate continues. But in the short-term, those worried about the possible irresponsible exercise of power within the NUJ can perhaps take some comfort that its members have elected, in Mr. Ken Morgan, another leader who will work for moderate policies when Mr. Morgan leaves to join the Press Council offices, where no doubt he will continue to contribute to the far-from-resolved debate about Press freedom.

Letters to the Editor

term

Angear

is an urgent need to resolve the continuity issues that arise in North th is to be he used in the British

portion of available ld be used to repay overseas debts? To l should we increase y reducing personal ate taxes and how in what manner) allocate to improve- industrial base? an opportunity to strategic plan for the 20 years—a grand it should transcend s and which calls out tisan agreement on the major issues. We cannot afford to experience of the last ing which continual om left to right contributed to the of our competitive rior markets. chance do we have of ch an accord? In the Government n to be pre-occupied is of survival. The ation debate is but... clearly... problems... arising from North... for the Tories... is determined... reins of Govern... opportunity and... distrust of all... a hardly con... ching a common... with her... such critical, long... these.

...of taking too... ment in client... believe that if anyone... covered, oil in the... some 10 years ago... at by now be much... ed in determining... could spend their... in parallel has... ee, too. Before we... ed the EEG we... a great Common... te—does not the... the distribution... a oil wealth deserve... al treatment even... ewers are infinitely... x thap "Yes" or

values, presumably for the sake of the lightweight aggregate manufacture. What State-owned industries make a profit "all Hell's let loose."

What do the Tories want? Blood? Or do they eye with envy the profits of the State-owned companies?

The difference is that the mortgagees they are, from State-owned companies go into the "kitty". Profits from private enterprise don't.

H. W. Gilbert-Rolfe,
3 Brendon Avenue,
Southborough,
Tunbridge Wells, Kent.

To-day's Events

GENERAL

Treasury issues figures of U.K. official reserves for July.

President Nyerere of Tanzania holds talks with President Carter in Washington.

Mr. Cyrus Vance, U.S. Secretary of State, on Middle East tour.

CFI Economic Policy Committee meets.

Society of Post Office Executives calls official half-day strike in dispute over productivity deal, and bans work outside normal office hours from to-day.

National Association of Teachers in Further and Higher Education statement on Education, Training and Employment of the 16-19 Age Group.

Preliminary meeting on London, 12. Bristol Evening Post, examination in public of Humber-

OPERA

Glyndebourne Festival Opera, Lewes, East Sussex; The Rake's Progress (Stravinsky), 5.30 p.m.

MUSIC

Henry Wood Promenade Concerts: Sir Adrian Boult conducts BBC Symphony Orchestra in Music for Strings, by Bliss, and Malcolm Williamson in his Organ Concerto. James Loughran conducts Beethoven's Symphony No. 7 in A major, Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Cricket: Third Test, England v Australia, Trent Bridge, MCC v Ireland, Lord's. Show jumping: Dublin Horse Show. Yachting: Cowes Week, Britannia Cup.

EXHIBITIONS

Exhibition about Great Glock of Westminster (Big Ben) and recent repair work, Westminster Hall, S.W.1, 10 a.m.-4 p.m., weekdays; 10 a.m.-5 p.m., Saturdays (until mid-October).

British Artists of the 60s, Tate Gallery, Millbank, S.W.1 (throughout the summer).

Centenary exhibition of St. John Ambulance London (Prince of Wales's District, Guildhall Old Library, E.C.2; 10 a.m.-5 p.m., until August 5).

COMPANY STATISTICS

Capital issues and redemptions during July. Share clearance (second quarter). Housing starts, completions and grants (June).

COMPANY RESULT

Leiraset International (full year).

COMPANY MEETINGS

Bradford Property Trust, Bradford, 12. Bristol Evening Post, Bristol, 12. London and Northern

Independence of auditors

From Mr. A. Woodhead.

Sir—Mr. Elles-Hill (July 27) raises some very pertinent points in relation to a person acting as a trustee when he or his firm are auditors of a company in which the trust has invested. If the auditor, however, is to be, and to be seen to be, independent then this problem must be faced.

I would support your original correspondent, Professor Stamp, that the only way to demonstrate the independence is for parties not to accept trustee positions, and to disengage themselves from those they already hold as soon as is reasonably practicable. The most difficult aspect of this matter is that relating to the relationship or trusteeship within one's own family. It is perhaps asking too much that this be absolutely barred, but some would argue that this is the very area where independence must be seen to be observed.

Can we steer a middle course? Acting as executor of a spouse or infant children should be no problem as they should already have been barred from investment in client companies. In other family executorship situations perhaps the rule should be sell any investment in client companies as soon as probate is granted or alternatively only sell immediately after the declaration of interim or final results. In family trust situations it is suggested a partner should not act as a trustee if any clients' securities are held in the trust portfolio where this is not feasible the key question remains—is it practicable or fair to bar his family from benefiting from that trust?

When one is appointed a trustee one should act for the benefit of the trust in an unfettered manner and the dilemma of a trustee can perhaps be illustrated by an example. What is the trustee to do when the trust is thinking of investing in a company which his firm are auditors of and from his knowledge he knows the company's which may lead to a receivership or liquidation situation? Are his the loyalties of the trust and the protection of its assets or is the duty of confidentiality to his audit clients' affairs?

A. J. K. Woodhead,
40, Chiltern Way,
Woodford Green, Essex.

Free collective bargaining?

From Mr. R. Whyte.

Sir—Wage bargaining is subject to two conflicting influences—the pecuniary interests of the workers which are constrained by the fear of pushing the organisation into bankruptcy. If freedom of an organisation to go bankrupt is removed collective bargaining can no longer be considered free.

R. R. Whyte,
Liskeen, Bentinck Road,
Altrincham, Cheshire.

Transfer of wealth

From Mr. P. Frankel.

Sir—Unconventional Ian Davidson's Lombard Column on oil in your issue of July 26 may be, but was it wisdom?

It may be granted that oil prices may substantially rise in the 1980s and that this prospect alone should justify alternative higher-cost investments and conservation measures. But why on earth should the (non-U.K.) Western world and the less developed countries accelerate price escalation deliberately, thus aggravating intensely the problems of depression-generating transfer of wealth into a very narrow sector of the world? Why trigger in Ian Davidson who needs enemies?

P. H. Frankel,
1, Argill Street, W.1.

Living above our income

From Mr. J. Lunt.

Sir—John Hosker (July 26) should be reminded that inflation is caused by such things as above our income, and that is mainly due to wages being too high. Rising prices are nature's cure for too high wages, bringing real wages down to where they ought to be, so that price control makes inflation worse, not better. When wages are too high either we can bring them down, or more easily rising prices catch up with them.

Recent marginal improvement in inflation is the reward of two years' abstinence, now just beginning to seep through, and it is about to be squandered along with North Sea oil in an orgy of higher wages, lower taxes, and bigger benefits.

James G. Lunt,
10, Arlingdon Road, Cheshire.

Indexation of capital gains

From Mr. J. Mozd.

Sir—It would seem to me that, in all fairness, an adjustment to the basis of calculating capital gains for tax purposes is long overdue.

I refer in particular to investments such as family businesses, where, in using this 12-year-old basis, without making any allow-

All letters and parcels to London NW2.

The Post Office is pleased to announce that the delivery of mail has resumed in the NW2 area of London.

However, there is a very considerable backlog of mail to be delivered and customers are still advised not to post letters or parcels to NW2 for the time being.

The Post Office very much regrets the inconvenience caused to customers during this difficult period.

pean Stee

BY BILL AND CATORS

YOU

MA

and

Gilbert Rolfe

State-owned indus- loss, "all Hell's let

COMPANY NEWS

Upsurge by Phoenix Timber to £2.35m.

ON TURNOVER, ahead from £30.88m. to £37.33m., pre-tax profits of Phoenix Timber Company jumped from £440,000 to £2.35m. for the year to March 31, 1977.

At mid-way, reporting an increase from a depressed £23,000 to £4.1m., the directors said they expected a downturn in profitability in the second half but believed that the full year's figures would be satisfactory.

After a tax charge of only £22,000 (credit £191,000), full-year earnings are shown to be up from 21.9p to 73.4p per 25p share and the dividend total is lifted from 3.47p to the maximum permitted 3.8499p net with a final payment of 1.8449p.

The directors said that in the 1976-77 accounting provision has been made only for tax which may become payable in the foreseeable future. The charge of £22,000 reflects this change in accounting policy which also results in the release of £336,000 from the deferred tax account to reserves, giving a revised net assets value at March 31, 1977, of £245p.

External sales	37,330	30,880
Trading profit	1,845	1,281
Depreciation	499	419
Interest	593	1,132
Profit before tax	2,366	2,369
Tax	242	191
Net profit	2,124	1,878
Pre-tax dividend	37	37
Interim ordinary	37	37
Proposed final	73.4	21.9
Extra-ord. debit	238	31
Retained	1,733	217

Mr. Gourvitch, the chairman, says the results show that Phoenix has been able to maintain the improvement of the previous year in spite of the low level of activity in the building industry.

The current year has started to a rather slow start and first quarter's sales and profit showed a reduction compared with the exceptionally high level of last year's.

However, the results are regarded as satisfactory considering the depressed state of the construction industry. There are indications that housing starts in the private sector are increasing which should lead to improved results for the second quarter, members are told.

An extraordinary charge of £239,000 is mainly a provision against the maximum foreseeable loss on the investment in the group's Norwegian associated company and unrealised exchange losses on foreign currency loans.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding	Total for year	Total last year
First Castle Secs.	0.487	Sept. 30	nil	nil	nil
Phoenix Timber	1.84	Oct. 3	1.97	3.84	3.47
Sogomana	2.75	—	2.26	3.75	2.73
Third Mile Inv.	0.753	—	nil	nil	nil
Warwick Eng. Inv.	1.29	—	2.08	2.29	2.08

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †For year to January 31, 1978. ‡Gross.

F. Sumner sales up so far

EXTERNAL SALES of Francis Sumner (Holdings) for the first five months of 1977 are some 35 per cent higher than those for the corresponding period, and the order book for the group as a whole is quite satisfactory, reports Mr. Max Malmann, the chairman.

Profits for the first four months show a 24 per cent increase. Profits almost doubled to £1.09m. in 1976, and the dividend is stepped up from 0.7025p to 0.773p net per 10p share as reported on May 25.

Mr. Malmann says the year was in many ways a tough one, and it is therefore gratifying to see that the company has managed to be 1977 stronger than ever, in spite of the difficulties experienced.

Owing to losses incurred in one of its subsidiaries, the results of the British Testing Company were disappointing. Mr. Malmann says the losses arose out of a small number of fixed price contracts for structural steel erected by the company, which the directors have taken steps to ensure that this type of business will never be undertaken again.

An analysis of pre-tax profit shows that the percentage accounted for by servicing and trading fell from 87.4 to 87.8, while manufacturing rose from 12.6 to 60.4.

Working capital increased by £1.09m. against £0.88m.

Kelvin Watson strength

With a strong financial position, R. Kelvin Watson is well prepared to take advantage of the market opportunities. Mr. G. Watson, chairman, tells members.

In his annual statement he says that the company is better equipped than ever before to achieve its objectives.

As reported on July 12, pre-tax profit for the year ended March 31, 1977, dropped from £0.5m. to £0.34m. The sales of new spectacle frames were substantially lower than expectations.

As a result of the ACT reduction, the directors are proposing a second interim dividend in lieu of final of 1.188p per 10p share, making a total of 2.138p (1937p), the maximum allowed.

Although 1976-77 produced a setback in the company's historic pattern of increasing profitability, the chairman reports that the group has now proceeded to implement the planned programme of investment in future development.

Initial results for the current year show useful improvement in the majority of divisions, he adds.

In hard lens manufacturing, a considerable amount has been spent on refurbishing and updating the unit at Shepley—he believes it is well placed to increase its share of the hard contact lens market.

The new operation for the distribution of spectacle frames made in Germany, are now improving and prospects have been strengthened by the introduction of a second range of frames in the medium price bracket—initial results are very encouraging, he adds.

During 1976-77 bank balances dropped by £9.12m. (£56,079 increase).

Sogomana's £0.48m. pays 3.75p

PROFIT of Sogomana Group advanced from £236,427 to £482,476 for 1976, before tax of £246,335, compared with £168.

The net final dividend is 2.75p per 10p share for a total of 3.75p, against 2.75138p—in April the Treasury confirmed that since the company was trading and operating almost exclusively overseas, it was not subject to dividend constraint.

The company has interests in natural rubber, oil palms and cocoa.

Dividend amendments

The following companies have amended their dividends consequent upon the reduction in income tax to 24 per cent.

Courts (Furnishers): Final dividend 1.76114p.

Benjamin Priest and Sons (Holdings): Final dividend 3.50150p.

Laurence Scott: Final dividend 2.22p.

Christy Bros: Final dividend 1.01536p.

Guardian Royal Exchange Assurance: Additional Ordinary dividend payment for 1976 of 0.08079p net to make total gross equivalent of 14.002p to be paid at same time as interim for 1977.

Graham Wood Steel Group: Final dividend 1.40p, making 1.96p (1.93p) payable October 3.

It is intended that this rate of expenditure will be maintained. At April 2 outstanding contracts for expenditure amounted to £306,000 (£270,000) and principal projects authorised but not contracted came to £132,000 (£180,000).

Referring to deferred tax the directors have assessed that none will be payable in the foreseeable future and they have therefore added back reserves created in previous years to holders' funds. This effectively raises the asset value per share from 42p, prior to this arrangement, to 50p.

The group balance sheet shows an increase of £900,000 in short-term deposits, while net cash has fallen by £299,000.

The Throgmorton Trust holds 10.4 per cent of the equity and Johnson and Firth Brown 24.7 per cent.

Warwick Engineering increase

FOLLOWING the disposal of its interests in July 1976, turnover of Warwick Engineering Investments fell from £17.3m. to £13.97m. for the year to March 31, 1977, but pre-tax profits advanced from £331,790 to £343,783 after £211,000, against £209,000, for the first half.

After tax of £122,236 compared with £99,216, full year earnings are shown at 4.12p (4.18p) per share. The final dividend is 1.292p for a 2.292p (2.083p) total. Extraordinary items, amounting to £73,343 (£18,812) leaving £174,049 (£218,743).

Strong base at Jonas Woodhead

At the AGM of Jonas Woodhead and Sons in Leeds Mr. Ernest Woodhead, chairman, said turnover and profits for the first quarter to June 30, 1977, were both substantially higher than in the corresponding period last year. He expected this progress to continue in the months ahead.

The group had a stronger base than at any time in its long history, he said, and the overall attitude of well-founded optimism provided the overall industrial climate allowed the company to operate.

Third Mile returns to dividends

Marking a return to the dividend list after an absence of eleven years, an interim of 0.75p gross is announced by Third Mile Investment Company in respect of 1977.

Profit, before tax, for the first half of the year shows a sharp increase from £4,293 to £63,056. Revenue amounted to £470,269, compared with £181,811 in the first half of 1976 in which year profit amounted to £13,456.

The half-year's tax charge is £22,738 and earnings per 25p share are stated at 1.41p. No ACT is payable.

IN BRIEF

CATTLE (HOLDINGS)—In 1976, year ended June 30, the company's gross profit was £1,511,111, 11.7m., compared with £1,111,811 in the first half of 1976 in which year profit amounted to £13,456.

The half-year's tax charge is £22,738 and earnings per 25p share are stated at 1.41p. No ACT is payable.

WARRICK ENGINEERING INVESTMENTS—Revenue for the first quarter to June 30, 1977, was £13.97m., compared with £17.3m. in the corresponding period last year. Pre-tax profits advanced from £331,790 to £343,783 after £211,000, against £209,000, for the first half.

WARWICK ENGINEERING INVESTMENTS—Revenue for the first quarter to June 30, 1977, was £13.97m., compared with £17.3m. in the corresponding period last year. Pre-tax profits advanced from £331,790 to £343,783 after £211,000, against £209,000, for the first half.



Mr. Leslie Thompson, chairman of Westinghouse Brakes and Signal, who is due to announce the interim results to-day.

Mr. Holder back as chief executive of Fairey

MR. ROBERT HOLGER, the chairman of Fairey Company, the troubled aviation and engineering group, has returned to his former role as chief executive of the company, it was announced yesterday. Mr. A. A. Brown has resigned as managing director but will remain on the Board.

Mr. Holder was managing director of the company until June 1975 when he moved on to become chairman on the retirement of Sir Joseph Hunt. Last month Fairey was forced to waive its dividend and reveal disappointing profits following the introduction of expensive stocks of girder bridges and aircraft in the anticipation of orders. Mr. Holder has taken up the reins again to get to grips with this situation.

Stocks of Britten-Norman aircraft pose a particular problem to the company and led to a £2.3m. write-off for the year to March 31, 1977. Mr. Desmond Norman, one of the founders of Britten-Norman, has therefore been asked to assist the chairman to boost sales in this area.

Investing institutions with an interest in Fairey have arranged a meeting with the management in the middle of this month. The Stock Exchange is also engaged in inquiries into dealing in Fairey shares during July.

ISLE OF MAN ASSOCIATED

Listing of Isle of Man Associated Investment 7 per cent Preference stock has been cancelled at the last moment.

Encouraging outlook for Oil & Associated

The substantial and satisfactory portfolio of Oil and Associated Investments Trust in the North Sea is likely to prove of great benefit, chairman Mr. A. Joseph says in his annual statement.

The off-shore oil and gas developments continue to be particularly encouraging with the results in many cases exceeding forecasts and with political interference apparently less menacing than had been feared, he adds.

As reported on July 12, pre-tax revenue rose from £218,503 to a record £244,615 for the year to March 31, 1977. The net dividend total increases from 1.825p to 1.85p a share.

Funds invested in the year amounted to £233,000 bringing the total at year-end to £4,123,000. Market valuation at that date was £7,698,000, exceeding cost by 87 per cent.

The overall proportion of funds invested in fixed interest securities and bank deposits were reduced from 60 per cent to 51 per cent, preference and ordinary stock, thereby increasing franked investment income.

The holding in foreign equity stocks, mainly in America, has been maintained and further use has been made of the dollar loan facility.

Net asset value of the Ordinary shares at the year-end had risen from 63p to 72p, Mr. Joseph states.

Holders of the 61 per cent convertible unsecured Loan stock issued in 1965 are entitled to convert into Ordinary shares on the basis of nine shares for each £1 stock. They must do so not later than August 31 next.

There will be ten further occasions thereafter on which the stockholders may convert on the same basis by giving notice during August in any of the years 1978 to 1987 inclusive.

Meeting, Winchester House, August 23, at noon.

HAMBROS MERGING BROKING, SIDE

Hambros and Housley Heath, Lloyd's insurance brokers, are merging their insurance broking interests. An additional capital of £85,000 will be subscribed into the new company.

The new group will have net assets of about £220,000 and combined pre-tax profits of the new company for the first nine months ending in 1977 are £178,000. Hambros will own, after purchasing some of the shares issued to shareholders of Housley Heath, 55 per cent of the new company.

Exciting outlook for Oil & Associated

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Cadbury overseas profits

Cadbury Schweppes (South Africa) announces net profits of £905,000 for the first half of 1977 compared with a deficit of £295,000 in the corresponding period last year.

Turnover was R9.79m. against R22.15m. when the figure included sales of Schweppes South Africa (Pty) which ceased to be a subsidiary of the company last October.

An interim dividend of 3 cents per share is proposed.

Cadbury Schweppes Australia announces a 24.1 per cent increase in net profits for the

Renwick recovery to be maintained

THE RETURN to profitable trading at the Renwick Group in 1976-77—when £477,000 profit was achieved—has been maintained in the second half of that year and an encouraging start appears to have been made to 1977-78, reports Mr. C. W. Wilton, chairman.

The most substantial contribution behind this result was the manufacturing division (which trading profits jumped from £192,187 to £308,310). Records were achieved on the travel side and at Western Fuel—in which the group has a 50 per cent interest—while in the freight business losses were considerably reduced (from -£475,548 to £263,927) and a return to profitability is looked to here in the current year.

In the manufacturing division it is planned to launch an additional range of vehicles during the year which will provide greater scope for the future. This will involve substantial cost which must be borne in mind when considering prospects for the year, stresses Mr. Wilton.

Although it is too early to forecast for 1977-78 the directors believe that the recovery will be maintained and they hope that it will soon be possible to resume Ordinary dividends.

The directors are confident that the group is in a recovery stage, but that a conscious effort will be made to rebuild its capital base following the adverse experience of the previous two years. The price of the ordinary shares being asked to pay value effectively precludes a rights issue.

It is therefore proposed that Equity Capital for industry investment and development Rothchild Investment Trust has emerged, in a significantly stronger position, reports Mr. Jacob Rothschild, chairman, in his annual statement.

He is confident that the company is now well equipped to follow a positive policy in the future.

The problems created by the investment in European property and the completion of a £1m. series of disposals—the company G. H. Downing and Co. which is now left with one office building in Paris, vacated in September last year.

Negotiations are well advanced to let 30 per cent of the building. The book value of the property has been "written down" to £18,450m. and the directors consider this realistic.

As known, pre-tax revenue for the year ended March 31, 1977, was similar at £2,260p (£2,240m). Earnings per share were 12.7p (12.9p) basic.

Heavy now well equipped to follow a positive policy in the future.

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RIT well set for progress

Following a year of reconstruction and development Rothchild Investment Trust has emerged, in a significantly stronger position, reports Mr. Jacob Rothschild, chairman, in his annual statement.

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Heavy now well equipped to follow a positive policy in the future.

Downing starts well: expansion in hand

A GOOD start to the current year, a £3m. expansion programme at the Chesterton works and the completion of a £1m. series of disposals—the company G. H. Downing and Co. which is now left with one office building in Paris, vacated in September last year.

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CLERICAL MEDIC DOUBLES BONUS

Clerical, Medical and Life Assurance Society doubled the terminal bonus payable on "with profit" policies which become claims when reach maturity or become policyholders.

The society is paying £1,000 per annum per £100 of sum from August 1, in place of 10p per annum per £100. The rise reflects an increase in asset values.

BEAR BRAND

Final meetings of shareholders and creditors of Bear Brand held at Bluecoat, Liverpool, on August 30. These meetings are crucial as there are insufficient funds to satisfy the debtors and therefore there will be distribution to creditors or holders.

ISSUE NEWS

Liverpool £25m. stock

Arrangements have been completed for the issue by the Liverpool £25m. stock of £25m. 13 per cent stock £27.50 per cent. of application close on Thursday, August 10.

The stock is payable as 10 per cent with application plus 3 per cent due on September 12 and 24.50 per cent on October 12.

Interest is payable half-yearly with the first payment of 25.5 cent due on February 28, 1978. Brokers to the issue are Mu and Co.

EXCHEQUER STOCK

The prospectus in public form for the issue of £300 million of Exchequer Stock 9 1/2 per cent. Lists are application close on Thursday, August 10. The stock is payable in full.

Subject to unforeseen adverse application.

First quarter growth for Lindustries

On Saturday, a report of the chairman's remarks to the annual meeting of Lindustries was enthusiastically attributed to the chairman, Mr. E. Luke, chairman of Lindustries, said that first quarter profits showed a "reasonably healthy" increase. However, in some areas of activity margins were under substantial pressure and orders showed a declining tendency.

We apologise to both companies for the error.

National Carbonising diversification moves

It is the policy of National Carbonising Company to diversify progressively to reduce its dependence on the traditional coke and fuel business, and to reinvest funds to other, expanding, areas of the energy and transport industries where there are better opportunities to earn profits, says Mr. E. D. G. Davies, the chairman.

The company has acquired good management and knowledge in oil and gas engineering, and if the circumstances permit will purchase additional businesses in these industries when opportunities present themselves, he adds.

The new specialised transport activities have experienced initial problems, but steps have been taken to overcome them and the directors believe that they will in due course prove worthwhile investments, members are told.

The directors still believe, however, that there are satisfactory profits to be obtained eventually from smokeless fuel, although they say there are short-term difficulties in the industry which can only be eliminated by a marked change of attitude by the Government in its energy policy.

Pre-tax profit for the year to March 31, 1977, recovered from £193,000 to £231,000, and the dividend is doubled to 1.3p net per 10p share.

Mr. Davies says there can be no hiding the Board's disappointment at the modest profit but a first net dividend of 0.945p net is declared for 1977-78. The company's net interest and acquisition in November of Automobile Oil Tools, which they

Mitchell Somers confident

CURRENT-YEAR prospects remain encouraging for the Mitchell Somers group which in 1976-77 pushed up profits by 30 per cent to £2.1m.

This year will see an initial contribution from Wolverhampton Ole Casting, the aluminium pressure die castings group recently acquired. Mr. Leslie Thomas, chairman of M.S., says that he expects the company to provide further choice in future developments in different parts of the trade cycle.

Owing the year capital expenditure on new plant totalled £227,000

Advance by First Castle

Improvement for the year to January 31, 1977, at First Castle Securities, formerly Plastocraft Products (Darwen) expanded from £114,216 to £170,954, and pre-tax profit rose from £49,783 to £118,244 before tax.

Earnings are shown at 1.6p (1.89p) per 10p share and net assets at 26.22p (13.11p).

There is no dividend for 1976-77 but a first net dividend of 0.945p net is declared for 1977-78. The company continues to make

Glasgow Pavilion loss

Announcing a turnaround from a net profit of £6,030 to a loss of £26,530 for the half year to April 30, 1977, the directors of Glasgow Pavilion say that with engagements made, and others in negotiation it is hoped that a successful and profitable season of pantomime will be achieved in 1977-78.

J. & J. CASH EARLY REDEMPTION

Marking a return to the dividend list after an absence of eleven years, an interim of 0.75p gross is announced by Third Mile Investment Company in respect of 1977.

Profit, before tax, for the first half of the year shows a sharp increase from £4,293 to £63,056. Revenue amounted to £470,269, compared with £181,811 in the first half of 1976 in which year profit amounted to £13,456.

The half-year's tax charge is £22,738 and earnings per 25p share are stated at 1.41p. No ACT is payable.

STEAD & SIMPSON LIMITED

FOOTWEAR RETAILERS AND MOTOR DEALERS

Improved profit margins on turnover 20% higher.

The following points are from the Report and Accounts and Statement of the Chairman, Mr. Harry E. G. Gee, for the year to 31st March, 1977.

	1976-7	1975-6
Turnover	£18,506,008	£15,362,837
Profit before taxation	1,886,520	1,336,543
Profit after taxation	948,751	628,387
Extraordinary item	414,051	476,506
Ordinary share 'A' Ordinary Dividends	2,51797p	2,28908p
Earnings per share	4.36p	2.91p

† Surplus on sale of properties.

Profit in the footwear shops was again a record with an increase of 4.3% before tax. Our new warehouse facilities played a considerable part in our better use of stock resulting in an improved profit margin.

* Our constant review of the profitability of our various branches resulted in the closure during the year of nine of them. We opened eleven new branches and plans are in hand to open a further five this year.

* Our motor companies had a record year with an increase of 22% in turnover and 33% in profit before tax.

* A revaluation of the company's properties at 1st April 1977 shows a surplus of approximately £13,000,000 above book value. It is proposed to capitalise £1,800,000 of this surplus by the issue of one 'A' ordinary share of 25p for every three ordinary or 'A' ordinary shares held on 18th July 1977.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

U.S. CHEMICAL COMPANIES

Perplexing time for Wall Street

BY STEWART FLEMING IN NEW YORK

THE OUTLOOK for the American chemical industry has been one of this year's more perplexing analytical problems on Wall Street. With one exception (Du Pont) the latest quarterly results from the major companies show that the industry's earnings trend is still woefully sluggish—despite the massive amounts of new capital that companies have ploughed back into their businesses in recent years.

As a result investors are now beginning to peer very anxiously into the future. Have their investments jacked up capacity at the wrong time with possible dire consequences, or is the "pay off" simply a longish time coming through is what Wall Street brokers are beginning to ask.

At all events, the current profits background contrasted strikingly with the high hopes. Du Pont's second quarter earnings per share by 26 per cent but in so doing has proved to be a stark exception to the general rule. Dow Chemical managed to maintain its second quarter unit earnings, but over at Union Carbide the declines extended to 15 per cent, while at Monsanto the shortfall was 18 per cent.

Some analysts are beginning to question whether the industry has been putting too much money into too many product lines. Du Pont started the capital spending ball rolling back in 1973 since when it has put some-thing like \$4bn. into new capacity with spending peaking in the years 1974 and 1975. Most of the other chemical majors saw their capital spending peak in 1975 and 1976.

Overcapacity

The conclusion which some analysts have come to is that for some companies overcapacity is going to be a problem. While this did not seem to be so likely just over a year ago, after the first quarter 1976 surge in economic growth, the subsequent slow-down through 1976 and into the first quarter of 1977, with GNP growth averaging only 3 per cent in real terms, adversely affected company profits and lent weight to the overcapacity argu-ment. It also weakened the hopes. Du Pont's second quarter earnings per share by 26 per cent but in so doing has proved to be a stark exception to the general rule. Dow Chemical managed to maintain its second quarter unit earnings, but over at Union Carbide the declines extended to 15 per cent, while at Monsanto the shortfall was 18 per cent.

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Union Carbide and Dow Chemical as two companies which might be regarded as having a high exposure to potentially unfavourable earnings trends emanating from over expansion if sluggish economic activity persisted.

Now some analysts are arguing that even in the fibres field in the U.S., which has been experiencing a marked strengthening in demand if not in prices, the prospective sluggishness of consumer spending through the second half of this year could slow the earnings recovery now appearing. But this is seen to be a temporary problem when compared with overcapacity in commodity chemicals.

In the longer term, fibres is one area where some underlying strength in pricing is expected in the U.S., because liquidation of stocks was probably exhausted in 1976, and because, amongst other things, plant closures and a lack of interest in capacity expansion, do not threaten overcapacity problems.

Hedging

With so many uncertainties, it is only to be expected that analysts are carefully hedging their views on the chemical stocks. They are restricting their most positive comments to some of the smaller specialist chemicals producers which are not such heavy spenders on new capital, who operate in a less competitive environment, and who have better control on their prices.

Another group favoured are particular situations, where the companies have, for example, interests in oil or gas, such as Allied Chemical's North Sea interests. (Allied's 67 per cent rise in second-quarter earnings largely reflected gains on the sale of assets rather than a substantial improvement in the company's normal trading operations.)

Some of the bigger companies themselves continue to be either cautious about prospects or overtly dissatisfied with current rates of return on their new (and old) investments. Thus the Du Pont chairman, Mr. Shapiro, in his second quarter statement contrasted the 51 per cent rate of return on investment in the second quarter's record-equaling earnings per share with the 7.5 per cent rate of return earned in 1973, when the record was first struck. He remarked: "The corporate goal is to restore profitability to the level of 1968 when return on investment was over 5 per cent."

Some observers will see in remarks such as these rooster about politicians' attitudes towards increased prices and fears of pricing restrictions, formal or informal, in an industry which has been spending heavily and is waiting for profits to catch up on its new investments.

Anderson Clayton bid for Gerber lowered

By John Wyles

NEW YORK, August 1. ANDERSON CLAYTON, the Texas-based food company has reacted sharply in the continuing decline in the earnings of Gerber Products by reducing its proposed offer for the Michigan company's common stock from \$40.8 a share to \$37.

Gerber reported last week that its 1977 second quarter profits dropped 32 per cent to \$4.2m. from \$6.5m. a year ago. This is the third consecutive quarterly drop in Gerber's earnings which for the latest nine months are 24 per cent down on the previous year.

Anderson Clayton said today that it was especially concerned about the decline in profits in the light of optimistic statements which had been made this year by the Gerber management. Its proposed offer, originally made in April, has been stalled by determined court resistance from Gerber which has so far prevented the company's shareholders from expressing a view on the earlier \$40 a share bid.

Market move by SEC man

THE NEW director of the Securities and Exchange Commission's (SEC) division of market regulation, Mr. Andrew M. Klein is planning to move quickly toward creating a competitive national market system in securities trading, reports A.P.-D.J.

In an interview in the New York Times, Mr. Klein said: "The industry has had two years in which to come up with a plan. Now the foot-dragging and hap-pine must end."

Mr. Klein hoped to propose a rule to the SEC soon on central market issues, such as which is the best system for linking the markets to permit intermarket trading.

Aetna doubles profit

AETNA LIFE and Casualty, one of the largest U.S. insurance companies, has reported that in the second quarter its net profit nearly doubled to \$107m. First-half net income increased from \$36m. (\$1.50 a share) to \$188.4m. (\$3.50 a share) reports our New York correspondent.

The company said that all sections of the company's business contributed to the improvement and said that among others, its personal car insurance business continued to improve and was profitable in the second quarter and first half.

MAN outlook bright as turnover tops DM4bn.

BY JONATHAN CARR

BONN, August 1

MASCHINENFABRIK Angers per cent to DM2.4bn. and was counter-balanced by stronger flow of orders from European countries. The company's diesel machinery division showed above-average growth—up 17 per cent among other things, by an order for almost 4,000 heavy lorries had not improved, in particular from the Defence Ministry because of the dispute over demand from the OPEC countries where MAN has concluded orders for power station some big contracts to date. This structure.

A letter to shareholders gave no details of profit, but said June stood at DM4.7bn.—15 per cent higher than a year earlier. Figures, the 1976-77 year had been satisfactory and an appropriate dividend could be paid. A 14 per cent dividend was paid in respect of 1975-76 when operating profit rose to DM55m. from DM31m. in 1974-75. Both sales and order intake figures show a sharper rate of increase at home than abroad. Domestic sales were up by 16 per cent to DM2.4bn. and foreign sales by 10 per cent to DM1.7bn. The domestic order intake was up by no less than 39 per cent to DM2.7bn. while foreign orders achieved a sales rise of 14 per cent to DM2.0bn. Orders in hand at the end of June stood at DM4.7bn.—15 per cent higher than a year earlier. MAN's commercial vehicles division showed above-average growth—up 17 per cent among other things, by an order for almost 4,000 heavy lorries had not improved, in particular from the Defence Ministry because of the dispute over demand from the OPEC countries where MAN has concluded orders for power station some big contracts to date. This structure.

Bayer offshoot sees new loss

MUNICH, August 1

BAYER AG's tyre and rubber products subsidiary, Metzeler Kautschuk AG, expects to make another loss in 1977 after a net abnortfall last year as earnings continue unsatisfactory despite the boom in the German car industry, managing director Wolfgang Trautwein told journalists.

Bayer managing board member Guenter Becker said it is possible Kautschuk may again turn to Bayer for funds and a profit and loss transfer agreement between the two companies may be signed. Bayer took over the Metzeler group in 1974 and since then has injected around DM350m. into the companies. Becker said the other two DM92.1m. loss (DM138m. in 1975), managing director Jue Krackow told reporters. In the first half of 1977 ordinary low carbon steel manufacturing deteriorated after a planned major part in last year's negative result, with both production falling. In 1976, sales were DM1.7 (DM1.88bn.) of which export accounted for 36 per cent (per cent) but ascende fab-rication turnover, now include the new Roebching-Bur-Stahlwerke Roebching-Bur- is jointly owned by A Americas Reuntes de Burba CIL-dudelage SA of Luxemburg and the family owned Roeh Industrie-Verwaltung of hruceken.

STAHLEWERKE ROECHLING-BURBACH GmbH will have another net loss in 1977 following last year's carried forward DM92.1m. loss (DM138m. in 1975), managing director Jue Krackow told reporters. In the first half of 1977 ordinary low carbon steel manufacturing deteriorated after a planned major part in last year's negative result, with both production falling. In 1976, sales were DM1.7 (DM1.88bn.) of which export accounted for 36 per cent (per cent) but ascende fab-rication turnover, now include the new Roebching-Bur-Stahlwerke Roebching-Bur- is jointly owned by A Americas Reuntes de Burba CIL-dudelage SA of Luxemburg and the family owned Roeh Industrie-Verwaltung of hruceken.

French store chain bid

PARIS, August 1

FRENCH STORE chain Ste-des Comptoirs Modernes is making a share-exchange offer for another store chain Ste. Economique de Rennes.

Comptoirs Modernes is offering one newly created convertible bond plus Frs.40 cash for every Economiques Renne share and bond. Shares of Economiques de Rennes were last quoted at Frs.126 each before being suspended a week ago pending details of the bid. The offer is for Economique-Rennes 235,859 Frs.50 shares, comprising its Frs.11.79m. share capital, and for its convertible Frs.90 bonds issued in 1970.

Upturn at Dead Sea

THE DEAD SEA WORKS increased its net, after-tax profit in 1976-77 by one third to \$16.5m. despite a 15 per cent drop in production caused by workers' sanctions and a week lock-out, reports L. D. from Beersheba. Total output came to 1,013,000 tons and that of potash to 20,000 tons. Sales of potash in 1976-7: 880,000 tonnes were up 14 per cent on the preceding months and a further implement has been recorded in re-months. Exports increased to per cent, whereas home sales declined. The company will pay royalties—the sixth year \$2.3c has been in a position to d

Company	1977	1976
AMP INC.		
Revenue	330.9m.	285.7m.
Net profits	12.5m.	11.3m.
Net per share	0.86	0.80
DELTA AIRLINES		
Revenue	456.4m.	407.3m.
Net profits	33.81m.	30.06m.
Net per share	1.70	1.51
ALLIED CHEMICAL CORP.		
Revenue	785.5m.	706.0m.
Net profits	91.5m.	72.9m.
Revenue	1.46bn.	1.34bn.
Net profits	129.5m.	125.9m.
HUDSON'S BAY OIL & GAS		
Revenue	23.1m.	18.4m.
Net profits	1.22	0.86
Revenue	49.2m.	37.6m.
Net per share	2.60	1.98
BOEING		
Revenue	1.24bn.	1.17bn.
Net profits	58.4m.	27.1m.
Revenue	2bn.	1.91bn.
Net profits	84.6m.	42.6m.
Net per share	3.98	2.01
MURPHY OIL CORP.		
Revenue	237.6m.	246.0m.
Net profits	12.84m.	13.17m.
Revenue	586.2m.	493.8m.
Net profits	24.45m.	24.61m.
Net per share	1.97	1.98
CESSNA AIRCRAFT		
Revenue	160.7m.	129.6m.
Net profits	10.66m.	9.88m.
Revenue	464.2m.	369.7m.
Net profits	28.68m.	23.03m.
Net per share	3.42	2.82
CITY INVESTING CO.		
Revenue	745.5m.	617.6m.
Net profits	15.97m.	7.99m.
Revenue	1.43bn.	1.18bn.
Net profits	27.47m.	17.00m.
Net per share	0.39	0.44
BELL CANADA		
Revenue	892.4m.	813.9m.
Net profits	61.3m.	74.1m.
Revenue	1.728bn.	1.581bn.
Net profits	123.8m.	148.7m.
Net per share	2.59	3.36
HUSKY OIL		
Revenue	289.9m.	249.5m.
Net profits	19.7m.	13.7m.
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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and funds, including Royal Bank, Guardian, and others, with columns for fund names, managers, and performance metrics.

Table listing offshore and overseas funds, including Vanguard, Fidelity, and others, with columns for fund names, managers, and performance metrics.

BASE LENDING RATES table listing various banks and their respective lending rates for different terms.

Midland Bank Group Unit Trust Managers Ltd (a) table listing various unit trusts managed by Midland Bank, including Royal Bank, and their performance data.

FOR TODAY advertisement for the August issue of 'The August issue includes: IND BLOCK OF SOMERSET 1780-1836' by Sonia and Vivian Lipman. Contact: HARDY, 1769-1839. Derek Severn. **ISH BLUE DIVISION IN RUSSIA**, G. R. Kleinfeld and L. A. Tambs. **CORNISH CAPITAL**, A. L. Rowse. **NOW ON SALE 50p**. 1 p.p. from Bracken House, Cannon St., London EC4.

NEL Trust Managers Ltd (a)(i) table listing various unit trusts managed by NEL Trust Managers Ltd, including Royal Bank, and their performance data.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products, including Equitable Life, Phoenix Assurance, and others, with columns for product names, managers, and details.

CLIVE INVESTMENTS LIMITED advertisement. T Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101. Index Guide as at 19th July 1977 (Base 100 at 141.77). Clive Fixed Interest Capital: 112.30. Clive Fixed Interest Income: 102.62. **CORAL INDEX:** Close 442-447. **INSURANCE BASE RATES**: Property Growth: 10%, Canopy Assurance: 5%. Address shown under Insurance and Property Bond Table.

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FT SHARE INFORMATION SERVICE

(Miscel.)

BRITISH FUNDS

High	Low	Stock	Price	Div. Yield	YTD %
101.1	98.5	British Funds	100	1.04	7.3
100.5	98.0	British Funds	100	1.04	7.3
100.0	97.5	British Funds	100	1.04	7.3
99.5	97.0	British Funds	100	1.04	7.3
99.0	96.5	British Funds	100	1.04	7.3
98.5	96.0	British Funds	100	1.04	7.3
98.0	95.5	British Funds	100	1.04	7.3
97.5	95.0	British Funds	100	1.04	7.3
97.0	94.5	British Funds	100	1.04	7.3
96.5	94.0	British Funds	100	1.04	7.3
96.0	93.5	British Funds	100	1.04	7.3
95.5	93.0	British Funds	100	1.04	7.3
95.0	92.5	British Funds	100	1.04	7.3
94.5	92.0	British Funds	100	1.04	7.3
94.0	91.5	British Funds	100	1.04	7.3
93.5	91.0	British Funds	100	1.04	7.3
93.0	90.5	British Funds	100	1.04	7.3
92.5	90.0	British Funds	100	1.04	7.3
92.0	89.5	British Funds	100	1.04	7.3
91.5	89.0	British Funds	100	1.04	7.3
91.0	88.5	British Funds	100	1.04	7.3
90.5	88.0	British Funds	100	1.04	7.3
90.0	87.5	British Funds	100	1.04	7.3
89.5	87.0	British Funds	100	1.04	7.3
89.0	86.5	British Funds	100	1.04	7.3
88.5	86.0	British Funds	100	1.04	7.3
88.0	85.5	British Funds	100	1.04	7.3
87.5	85.0	British Funds	100	1.04	7.3
87.0	84.5	British Funds	100	1.04	7.3
86.5	84.0	British Funds	100	1.04	7.3
86.0	83.5	British Funds	100	1.04	7.3
85.5	83.0	British Funds	100	1.04	7.3
85.0	82.5	British Funds	100	1.04	7.3
84.5	82.0	British Funds	100	1.04	7.3
84.0	81.5	British Funds	100	1.04	7.3
83.5	81.0	British Funds	100	1.04	7.3
83.0	80.5	British Funds	100	1.04	7.3
82.5	80.0	British Funds	100	1.04	7.3
82.0	79.5	British Funds	100	1.04	7.3
81.5	79.0	British Funds	100	1.04	7.3
81.0	78.5	British Funds	100	1.04	7.3
80.5	78.0	British Funds	100	1.04	7.3
80.0	77.5	British Funds	100	1.04	7.3
79.5	77.0	British Funds	100	1.04	7.3
79.0	76.5	British Funds	100	1.04	7.3
78.5	76.0	British Funds	100	1.04	7.3
78.0	75.5	British Funds	100	1.04	7.3
77.5	75.0	British Funds	100	1.04	7.3
77.0	74.5	British Funds	100	1.04	7.3
76.5	74.0	British Funds	100	1.04	7.3
76.0	73.5	British Funds	100	1.04	7.3
75.5	73.0	British Funds	100	1.04	7.3
75.0	72.5	British Funds	100	1.04	7.3
74.5	72.0	British Funds	100	1.04	7.3
74.0	71.5	British Funds	100	1.04	7.3
73.5	71.0	British Funds	100	1.04	7.3
73.0	70.5	British Funds	100	1.04	7.3
72.5	70.0	British Funds	100	1.04	7.3
72.0	69.5	British Funds	100	1.04	7.3
71.5	69.0	British Funds	100	1.04	7.3
71.0	68.5	British Funds	100	1.04	7.3
70.5	68.0	British Funds	100	1.04	7.3
70.0	67.5	British Funds	100	1.04	7.3
69.5	67.0	British Funds	100	1.04	7.3
69.0	66.5	British Funds	100	1.04	7.3
68.5	66.0	British Funds	100	1.04	7.3
68.0	65.5	British Funds	100	1.04	7.3
67.5	65.0	British Funds	100	1.04	7.3
67.0	64.5	British Funds	100	1.04	7.3
66.5	64.0	British Funds	100	1.04	7.3
66.0	63.5	British Funds	100	1.04	7.3
65.5	63.0	British Funds	100	1.04	7.3
65.0	62.5	British Funds	100	1.04	7.3
64.5	62.0	British Funds	100	1.04	7.3
64.0	61.5	British Funds	100	1.04	7.3
63.5	61.0	British Funds	100	1.04	7.3
63.0	60.5	British Funds	100	1.04	7.3
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61.5	59.0	British Funds	100	1.04	7.3
61.0	58.5	British Funds	100	1.04	7.3
60.5	58.0	British Funds	100	1.04	7.3
60.0	57.5	British Funds	100	1.04	7.3
59.5	57.0	British Funds	100	1.04	7.3
59.0	56.5	British Funds	100	1.04	7.3
58.5	56.0	British Funds	100	1.04	7.3
58.0	55.5	British Funds	100	1.04	7.3
57.5	55.0	British Funds	100	1.04	7.3
57.0	54.5	British Funds	100	1.04	7.3
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56.0	53.5	British Funds	100	1.04	7.3
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52.5	50.0	British Funds	100	1.04	7.3
52.0	49.5	British Funds	100	1.04	7.3
51.5	49.0	British Funds	100	1.04	7.3
51.0	48.5	British Funds	100	1.04	7.3
50.5	48.0	British Funds	100	1.04	7.3
50.0	47.5	British Funds	100	1.04	7.3
49.5	47.0	British Funds	100	1.04	7.3
49.0	46.5	British Funds	100	1.04	7.3
48.5	46.0	British Funds	100	1.04	7.3
48.0	45.5	British Funds	100	1.04	7.3
47.5	45.0	British Funds	100	1.04	7.3
47.0	44.5	British Funds	100	1.04	7.3
46.5	44.0	British Funds	100	1.04	7.3
46.0	43.5	British Funds	100	1.04	7.3
45.5	43.0	British Funds	100	1.04	7.3
45.0	42.5	British Funds	100	1.04	7.3
44.5	42.0	British Funds	100	1.04	7.3
44.0	41.5	British Funds	100	1.04	7.3
43.5	41.0	British Funds	100	1.04	7.3
43.0	40.5	British Funds	100	1.04	7.3
42.5	40.0	British Funds	100	1.04	7.3
42.0	39.5	British Funds	100	1.04	7.3
41.5	39.0	British Funds	100	1.04	7.3
41.0	38.5	British Funds	100	1.04	7.3
40.5	38.0	British Funds	100	1.04	7.3
40.0	37.5	British Funds	100	1.04	7.3
39.5	37.0	British Funds	100	1.04	7.3
39.0	36.5	British Funds	100	1.04	7.3
38.5	36.0	British Funds	100	1.04	7.3
38.0	35.5	British Funds	100	1.04	7.3
37.5	35.0	British Funds	100	1.04	7.3
37.0	34.5	British Funds	100	1.04	7.3
36.5	34.0	British Funds	100	1.04	7.3
36.0	33.5	British Funds	100	1.04	7.3
35.5	33.0	British Funds	100	1.04	7.3
35.0	32.5	British Funds	100	1.04	7.3
34.5	32.0	British Funds	100	1.04	7.3
34.0	31.5	British Funds	100	1.04	7.3
33.5	31.0	British Funds	100	1.04	7.3
33.0	30.5	British Funds	100	1.04	7.3
32.5	30.0	British Funds	100	1.04	7.3
32.0	29.5	British Funds	100	1.04	7.3
31.5	29.0	British Funds	100	1.04	7.3
31.0	28.5	British Funds	100	1.04	7.3
30.5	28.0	British Funds	100	1.04	7.3
30.0	27.5	British Funds	100	1.04	7.3
29.5	27.0	British Funds	100	1.04	7.3
29.0	26.5	British Funds	100	1.04	7.3
28.5	26.0	British Funds	100	1.04	7.3
28.0	25.5	British Funds	100	1.04	7.3
27.5	25.0	British Funds	100	1.04	7.3
27.0	24.5	British Funds	100	1.04	7.3
26.5	24.0	British Funds	100	1.04	7.3
26.0	23.5	British Funds	100	1.04	7.3
25.5	23.0	British Funds	100	1.04	7.3
25.0	22.5	British Funds	100	1.04	7.3
24.5	22.0	British Funds	100	1.04	7.3
24.0	21.5	British Funds	100	1.04	7.3
23.5	21.0	British Funds	100	1.04	7.3
23.0	20.5	British Funds	100	1.04	7.3
22.5	20.0	British Funds	100	1.04	7.3
22.0	19.5	British Funds	100	1.04	7.3
21.5	19.0	British Funds	100	1.04	7.3
21.0	18.5	British Funds	100	1.04	7.3
20.5	18.0	British Funds	100	1.04	7.3
20.0	17.5	British Funds	100	1.04	7.3
19.5	17.0	British Funds	100	1.04	7.3
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18.5	16.0	British Funds	100	1.04	7.3
18.0	15.5	British Funds	100	1.04	7.3
17.5	15.0	British Funds	100	1.04	7.3
17.0	14.5	British Funds	100	1.04	7.3
16.5	14.0	British Funds	100	1.04	7.3
16.0	13.5	British Funds	100	1.04	7.3
15.5	13.0	British Funds	100	1.04	7.3
15.0	12.5	British Funds	100	1.04	7.3
14.5	12.0	British Funds	100	1.04	7.3
14.0	11.5	British Funds	100	1.04	7.3
13.5	11.0	British Funds	100	1.04	7.3
13.0	10.5	British Funds	100	1.04	7.3
12.5	10.0	British Funds	100	1.04	7.3
12.0	9.5	British Funds	100	1.04	7.3
11.5	9.0	British Funds	100	1.04	7.3
11.0	8.5	British Funds	100	1.04	7.3
10.5	8.0	British Funds	100	1.04	7.3
10.0	7.5	British Funds	100	1.04	7.3
9.5	7.0	British Funds	100	1.04	7.3
9.0	6.5	British Funds	100	1.04	7.3
8.5	6.0	British Funds	100	1.04	7.3
8.0	5.5	British Funds	100	1.04	7.3
7.5	5.0	British Funds	100	1.04	7.3
7.0	4.5	British Funds	100	1.04	7.3
6.5	4.0	British Funds	100	1.04	7.3
6.0					



Table with columns: Stock, Price, Change, Volume. Includes various stock listings.

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New economic deal pledged for Ulster

BY GILES MERRITT

THE STRENGTHENING of Ulster's industrial investment incentives and a £350m financial package, aimed at reducing electricity charges to industry in the province, are the two main elements of the economic plan announced in Belfast yesterday by Mr Roy Mason, the Secretary for Northern Ireland.

The plan has been welcomed by Ulster's industrialists and by the Government. The £350m investment package, which will be fully financed by the Government, is expected to create 15,000 jobs in the next five years and could exceed £1bn.

Mr Mason's new measures come after publication of Ulster unemployment figures for July, which show a rise of 9,000 from the previous month to 69,000. At 13 per cent, the total marks a post-war record for the province.

Unwilling "an economic programme aimed to draw new foreign investment into the province," Mr Mason said he was "deeply concerned" by the province's "unemployment mountain."

In the coming months, Ministers from the Northern Ireland Office are to campaign to attract new industries to the province. Mr Mason is also to visit the U.S. Secretary of Commerce, Mr William P. Rogers, possibly in August.

Although Mr Mason has denied any direct subsidies to electricity charges, which in Northern Ireland can be 30-70 per cent more than in Britain, he has put together a financial deal which it is hoped will

enable costs to industrial and commercial users to be brought into line with those in Great Britain.

The British Government is writing off £250m of the Northern Ireland Electricity Service's total debt of £289m, and over the next five years the electricity service will receive a further £100m in grants.

An electricity service official said last night that "significant" price reductions are now envisaged.

The proportion of capital cost for buildings and plant that the Government will finance is increasing to 50 per cent from the present 40 per cent in unemployment "black spots".

In less disadvantaged areas where investment grants are proportionately lower, they will also be raised by 10 per cent.

In addition, a new form of grant to aid research and development is being introduced. It will encourage new technology with an upper limit of £250,000 for each project.

Mr Mason is also to extend the grant abatement schemes available to companies using Government-built premises from the present three years to five years.

Some £2.75m is to be invested in the construction industry. In all, £100m, this year and the £900m over the following five years up to 1983 are to be

Pakistan sets election date

BY OUR OWN CORRESPONDENT RAWALPINDI, August 1

FRESH ELECTIONS under military supervision will be held in Pakistan on October 19, it was announced in Islamabad today.

The elections, for both the national and provincial assemblies, are to elect a Government which will take over from the present martial law administration.

The date means the plan of General Zia-ul-Haq, the Chief Martial Law Administrator, for a 90-day return to democracy is exceeded by 15 days.

According to Mr Justice Mushtaq Hussain, the Chief Election Commissioner, this was requested by the political parties so that they could have more time to draw up lists of candidates and sort out other matters. The political leaders including Mr Bhutto, the former Prime Minister, were released from protective custody four days ago.

The country's election campaign officially began today although the martial law authorities will only allow internal party political organisation until mid-September.

Mr Bhutto, who was deposed in the wake of the fighting which broke out in July, has still to decide whether to campaign or not. The Executive Council of his Pakistan People's Party is meeting in Karachi today and to-morrow and it is expected to decide this question.

Political observers feel that even if Mr Bhutto does say he will compete in the elections, he may well withdraw before the campaign is over. In the programme for the elections published to-day, September 1 is given as the last day for the withdrawal of a candidature.

Under the programme, constituencies will be officially called upon to elect their representatives on August 7. This is the process by which the election starts.

Prospective candidates will have 11 days to file their nominations. In previous elections, this has had to be done in a single day.

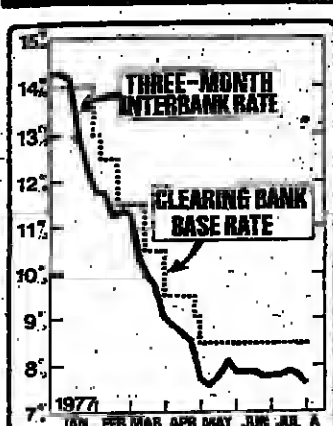
The new elections will replace those held in March, which were won overwhelmingly by Mr Bhutto but widely alleged to have been rigged. It was the campaign of agitation by the opposition against the successful negotiations which led to the army takeover.

Protests for election rigging in March are to start within a week, according to an election commission official.

When the Chief Election Commissioner announced last week that there would be no elections, he said a former Federal Minister was one of those involved.

Bank charges under the microscope

Index rose 6.1 to 446.3



There was heavy buying of the long-medium tap Treasury 114 per cent, 1991 yesterday, and the Government Broker withdrew after supplying the £30-paid stock at both 27 and 27½. Allowing for substantial amounts which may have "gone inside" to public sector buyers, well over half the nominal £800m of stock could now have been disposed of. If nothing else, the authorities' change of tactics on sterling last week can be seen as a very successful way of solving the domestic funding problem. And the hints of an early fall in M.L.R. provide the time-honoured background for a smooth launching of the new short tap, for which lists open on Thursday.

Barclays Bank International a group of "Arab and shareholders." The bank recently has a substantial amount of net worth which has been made good by the interests prior to the liquidation 15-month of the shares were suspended. And the Bank of has no intention of how much it has lost as of its involvement.

The figure must have made up a part of the special totalling £16.2m, in the last accounts. The just is that an authorise could not be allowed under — which says so about the Bank's decision. Bates this December, 1978. Since had net assets of £15m last accounts (March, 1978), a bulk of its £32m. loan must have proved worth.

The new consortium, Barclays owns a fifth, inherit a shell with a tiny loan book (say, £1 million) which inject equity and build what it hopes a major commercial bank, a new name and an financing Anglo-Arab African trade.

A final macabre touch, support from the fact that the supporting Bates' balance sheet by acquiring its due to certain other assets at prices. Among other it will apparently find its proud bit — with luck — any owner of a sizeable investment site in Battersea.

Bank probe

Although the Price Commission is being asked to investigate bank charges, it may well find out during the course of the probe that this is the wrong aspect of clearing banking to be looking at. A great deal of fuss is made about personal bank charges, but in terms of impact upon the consumer and the banks themselves they are comparatively unimportant.

Barclays has said, for example, that only 11 per cent of its gross U.K. income is derived from personal bank charges, and it claims that the proportion of related overheads covered by current account charges has fallen from 40 per cent to 20 per cent in the past two years. Charges on business accounts probably amount to some 60 per cent of all clearing bank commission income, with personal charges very much playing second fiddle.

The real question concerns the interest margins being maintained by the banks, a widening trend being, the means by which the clearers have absorbed rapidly rising costs — and, it could be argued, a means of cross-subsidising the personal customer with an active account.

It seems improbable, however, that the Price Commission, even in its new guise, will conclude that charges should actually go up. For the clearers the immediate problem is that it will now be difficult to put in an application for higher charges in time to put them into effect for the half-year beginning next January 1. And like the other four guinea pig sectors being reviewed, the banks must be prepared to accept the Commission's new-found concern with efficiency, as displayed in the report on brewing. The Commission, after years of fostering a cost-plus pricing philosophy, does not seem very concerned with its own contradictions.

Storm over French reactor grows

BY DAVID CURRY PARIS, August 1

THE BITTER fighting between anti-nuclear demonstrators and police yesterday at the site of France's first commercial fast breeder reactor plant today gave way to an increasingly violent polemic between organisers of the protest, the political parties of the Left and the local and central authorities.

Although all political parties and the unions had refused to take part officially in the march, in the wake of the fighting which led to one demonstrator dead, several people on both sides maimed by tear gas explosions and about 100 with general injuries, the political Left, to-day was beginning to line up in support of the demonstrators.

Mr Sadowicki condemned the "old guard" leadership, represented by Mr L. W. Abel, the retiring president, and Mr McBride on the grounds that they were unwilling to stand up to management.

Striking iron miners bring U.S. ore production near standstill

BY STEWART FLEMING

U.S. IRON ORE production has been almost halted by a strike which has made about 20,000 workers idle in the rich ore fields of Northern Minnesota and Michigan.

The dispute threatens to embitter labour relations in an industry which has not suffered a national strike for 18 years.

However, the hard-pressed U.S. steel industry is likely to be seriously affected only if the strike lasts several weeks.

About one quarter of ore supplies are imported, stocks could last two months, according to the American Iron Ore Association.

The United Steel Workers' Union said that members at 21 local branches and in 15 ore and steel companies had voted overwhelmingly to strike after last-minute negotiations failed last night.

In northern Minnesota there have been indications that a strike will not be called at three

of the four mining operations. They are owned by Jones and Laughlin Steel and Cleveland Cliffs.

The bitterness has arisen because steel industry officials contend that the strikes violate the three-year labour contract arrived at in April. Under the terms of the contract, known as the experimental negotiating agreement — strikes are forbidden on nationally negotiated issues.

Instead, both sides agreed to submit disputes outstanding when the negotiating deadline runs out to binding arbitration.

Local strikes are permitted, however, and the striking miners have argued that the main issues in their dispute are local.

The United Steel Workers' Union has supported this contention and last month Mr Lloyd McBride, recently-elected president, authorised a strike at the ore locals.

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Brewers given until September

BY KENNETH GOODING

THE BREWERS have been given until the end of September to present their reply to the Price Commission report on beer.

Letters went out from the Department of Prices and Consumer Protection yesterday inviting the industry to give its views on the report.

But so far there has been no approach to the Brewers Society, which represents all but one of the U.K. companies in the industry, about any discussions with the department. This would be the obvious forum for any talks about a voluntary price freeze on beer.

The brewers do not seem in the mood to enter meekly into a voluntary arrangement of that type.

Mr Derrick Holden-Brown, deputy chairman of Allied Breweries and head of the

Brewers' Society team which has been responsible for the brewers' dealings with the Commission, said last night.

"Any speculation on a voluntary price freeze has come from outside the industry. It has never been discussed at the Brewers Society."

The main opposition to a voluntary agreement should there be any discussions, would come from the smaller brewing companies which, generally speaking, have not made price increases for some time, but now need to make some.

Mr Holden-Brown led a delegation from the Society which met representatives of the Ministry of Agriculture, the brewers' sponsoring Ministry, yesterday afternoon.

No doubt the brewers received a sympathetic hearing as the

Local authorities

As long as the gilt edged market holds firm, the punters are likely to be out in force next Thursday when applications open for the City of Liverpool's

For the taxpayer and the shareholder, the outcome of the Edward Bates affair is about as unsatisfactory as it could be. Bates is selling his banking subsidiary for a nominal sum open for the City of Liverpool's

Edward Bates

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Weather

U.K. TODAY

MOSTLY DRY in S. and E. England, rain in places elsewhere.

London, S.E., Cent. S., E. England, E. Anglia, E. Midlands, Channel Isles

Mostly dry, sunny spells at first. Wind S.W. light. Max. 24C (75F).

W. Midlands, Cent. N. England

Rain in places, sunny intervals later. Wind S.W. veering W. light. Max. 21C (70F).

S.W., N.W., N.E. England, Wales, Isle of Man

Rain in places, becoming

Darlington print men plan action to-day

By Our Labour Staff

ACTION by print workers aimed at bringing to a halt production of all newspapers in Darlington owned by the North of England Newspapers group is expected to start to-day.

Members of both the National Graphical Association and SLADE, the process workers' union have already agreed from this week not to cross the picket lines of some journalists who have been on strike over a closed shop issue in the group's newspaper for more than eight weeks.

In response to the TUC printing industries committee's recent decision to call on their members to give full support to the journalists, members of the National Society of Operative Printers, Graphical and Media Personnel (NATSOPA) were discussing the recommendation last night when it was expected they would take action similar to that of other mammal unions.

Feature Page 11

Cable Trust Limited

Interim Report (unaudited) for the six months ended 30th June 1977

Earnings	1977	1976
Gross Revenue	£5,078,000	£5,104,000
Group earnings before taxation	£4,342,000	£4,582,000
Taxation	1,760,000	1,768,000
Group earnings after taxation	£2,582,000	£2,814,000

Assets	30th June 1977	31st December 1976
Investments at market value or valuation	£152,944,000	£141,852,000
Net assets	£145,037,000	£125,207,000
Net asset value per stock unit of 25p	183½p	158½p
Net asset value per stock unit of 25p allowing for full conversion of Loan Stock	180½p	156½p

Merger with Globe Investment Trust Limited

Full details of the proposed merger of the Company with Globe Investment Trust Limited, including the dividends which it is proposed the Company should pay, were despatched to stockholders on 20th July 1977. Copies of that document can be obtained from the Secretaries, Electra Group Services Limited, Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP.

AN ELECTRA HOUSE COMPANY

BUSINESS CENTRES

City	Y-day	Mid-day	Y-day	Mid-day
Alexandria	22	28	14	17
Amman	22	28	14	17
Antwerp	22	28	14	17
Bahia	22	28	14	17
Bangkok	22	28	14	17
Batavia	22	28	14	17
Bombay	22	28	14	17
Buenos Aires	22	28	14	17
Calcutta	22	28	14	17
Canton	22	28	14	17
Cebu	22	28	14	17
Colon	22	28	14	17
Copenhagen	22	28	14	17
Hankow	22	28	14	17
Hong Kong	22	28	14	17
London	22	28	14	17
Lyons	22	28	14	17
Manila	22	28	14	17
Medan	22	28	14	17
Osaka	22	28	14	17
Paris	22	28	14	17
Peking	22	28	14	17
Rangoon	22	28	14	17
San Francisco	22	28	14	17
Singapore	22	28	14	17
Sourabaya	22	28	14	17
Tientsin	22	28	14	17
Yokohama	22	28	14	17